

# OYO STATE COUNCIL FOR ARTS AND CULTURE

CULTURAL CENTRE ROAD, MOKOLA,  
IBADAN NIGERIA

## ARCHIVES

FILE NO.	VOLUME NO.
SUBJECT : OYO STATE INVESTMENT AND CREDIT CORPORATION	
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PIECE/SERIAL NO.	

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MILITARY GOVERNOR

VOL. II

FILE NO.

SP/C. 201

FILE TITLE

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29/4	<del>(SC) 411</del>	✓	<del>Prin Sec (SC)</del>	✓			

SP/C 201



SP/C 201



Telephone: IBADAN 62810-62812

Oyo ~~Western State Agricultural~~ And Credit Investment Corporation

(A STATUTORY ORGANISATION OF THE WESTERN NIGERIA GOVERNMENT)

PRIVATE MAIL BAG 5085  
FLOORS 17-19,  
COCOA HOUSE  
IBADAN

Telegrams, Cables: AGRINVEST, IBADAN  
OUR REF: I/C. 2/17  
YOUR REF:

29th September, 1976.

The Secretary to the Military Government  
and Head of Service,  
Office of the Military Governor,  
Agodi,  
Ibadan.



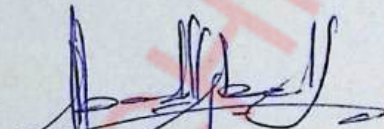
Visit to Lome - Togo

The Board of this Corporation has approved that the Corporation should hold 25% equity in, and grant some loan to the International Breweries Limited. Other bodies participating in the venture are the Nigerian Bank for Commerce and Industry, the Nigerian Industrial Development Bank and, Brauhaase the Technical Partners.

All papers submitted to the participating bodies have been reviewed, and the venture is judged to be of good prospect. However, since all the Breweries in which the Technical Partners are involved in Nigeria are still at the installation stage it is felt essential that one of their functioning breweries be visited and its performance accessed before final arrangements are concluded. One such plant is said to be at Lome in Togo. A visit is therefore proposed to the Lome factory between 4th and 7th October 1976.

The Acting General Manager, Mr. E. A. Egbedeyi and the Assistant Controller of Investment Operations, Mr. M. A. Adetoye have been nominated to represent the Corporation on this visit.

Your early approval of the proposed visit will be appreciated please.

  
(E. A. Egbedeyi),  
Ag. General Manager.

Pr. Sec (sc)

As above reported f.n.a

CR.  
29/9

See P. 14

296  
13  
14  
Y. E.

Via S.M.G. & H.S. *30/9*

Sec. (SC & SM) *30/9*

I respectfully draw Your Excellency's attention to the letter at page 12 in which the General Manager of the Investment and Credit Corporation of Oyo State disclosed that the Board of his Corporation had approved that the Corporation should hold 25% equity in the International Breweries Limited. He also indicated that the venture had been judged to be of good prospect but in view of the fact that the Breweries in which the Technical Partners are involved in Nigeria are still at the installation stage, the G.M., I.C.C.O.S. felt that it would be necessary to visit one of the Company's functioning Breweries at Lome, Togo in order to assess its performance before concluding final arrangement on this matter.

2. The G.M., I.C.C.O.S. is now seeking for Your Excellency's approval for two officials of his Corporation to visit the Lome Factory between 4th and 7th October, 1976 in order to assess the performance of the Breweries mentioned in the preceding paragraph. In view of the fact that the proposed trip would enable the Corporation to determine whether or not it would be a profitable venture to invest in the business enterprise of the Company mentioned in the preceding paragraph, I wish to recommend for Your Excellency's approval that two officials of the Investment and Credit Corporation of Oyo State should be allowed to visit the Breweries at Lome, *and submit a report on their findings.*

*E. O. Omobowale*  
(E. O. Omobowale),  
Ag. Prin. Sec. (SC)

30 Sept., 1976.

*Approval is given for 2 officials of ICCOS to visit Lome. They should submit a report on arrival.*

14

SP/C.20/T/14

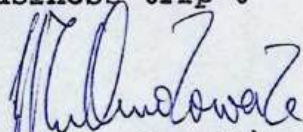
5 October, 1976

The General Manager,  
Oyo State Investment and  
Credit Corporation,  
P.M.B. 5085,  
Ibadan.

Visit to Lome - Togo

P. 12

I am directed to refer to your letter No. I/C.2/17 of 29th September, 1976 and to inform you that approval has been given for two officials of the Investment and Credit Corporation of Oyo State to visit the Breweries at Lome in order to assess its performance. The officials should forward a report of their findings to this Office on their return from the "business trip".



(E. O. Omobowale),  
for Secretary to the Military  
Government and Head of Service.



EXECUTIVE COUNCIL, WESTERN STATE OF NIGERIA  
CONCLUSION EXTRACT

18  
2484

For : File Reference

To : (1) S.M.G. OYO STATE Action/Infm.....  
(2)..... Action/Infm.....

GPI 1728/1074/5,000

9th Meeting S.I.C. of 1976 held on 28 / 9 /19 76

Subject DISSOLVED WESTERN STATE STATUTORY CORPORATIONS:  
MATTERS AFFECTING

SIC  
Memorandum M. G. ( 76 ) 134 by O.M.G. OYO STATE

CONCLUSION REFERENCE MGEC ( )

Committee:

- (a) approved that reports of the Chief Executives of the affected Corporations on the issues raised in the Memorandum and any other that might arise in future should be submitted to the Secretary to the Military Government for Oyo State who should then arrange the meeting of the Secretaries to the Military Governments at which decision would be taken as to how issues were to be finally disposed of.

ACTION BY OFFICE OF THE MILITARY GOVERNOR, OYO STATE.  
ACTION BY INVESTMENT AND CREDIT CORPORATION OF OYO STATE.

S.M.G. & H.S.

I respectfully submit the SIC conclusion above for information pl.

2. The conclusion arose out of the Memo. at pp. 16-17 pl.

US(SIC)  
5/10/76.

US(SIC)

Noted T. Y.

T. A. AKINYELE 6/5/76.

SP/C.201/T/19

7<sup>th</sup> October, 1976

The General Manager,  
Oyo State Investment and Credit Corporation,  
Cocoa House,  
Ibadan.

Dissolved Western State Statutory  
Corporations - Matters Affecting

I am directed to refer to your letter No.A/C.169/77 of 21st September, 1976 and to say that the States Implementation Committee during its meeting held on 28th September, 1976, directed that your recommendations on the above-mentioned subject, like any other of its type, should be submitted to the Secretary to the Military Government and Head of Service, Oyo State for further necessary action. A copy of the States Implementation Committee Conclusion on the matter has already been forwarded to you. P113

2. In the light of the above, I am to request you to kindly arrange for all the Chief Executives in the three States to meet early so that the issues dealt with in your letter No.A/C.169/15 of 19th August, 1976 could be resolved immediately. P.1



(S. O. Oladapo),  
for Secretary to the Military Government  
and Head of Service.

By. on 29/10/76. ✓

248F

US (SIC)

leaf n mtd as

kn. phi.

~~1/21~~

ARCHIVES OF OYSCAC

1/21



Telephone: IBADAN 62810-62812

OYO INVESTMENT AND CREDIT  
~~Western State Agricultural Investment Corporation~~

(A STATUTORY ORGANISATION OF THE WESTERN NIGERIA GOVERNMENT)

Telegrams, Cables: AGRINVEST, IBADAN

OUR REF: S.I/24.

YOUR REF:



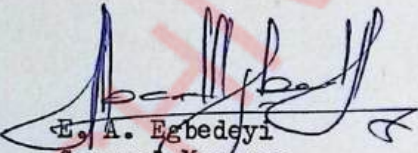
PRIVATE MAIL BAG 5085  
FLOORS 17-19,  
COCOA HOUSE  
IBADAN

6th October, 1976.

Secretary to the Military Government  
and Head of Service,  
Office of the Military Governor,  
Agodi,  
Ibadan.

Capital Loan for Immediate Investment

P.157  
P.105  
I refer to our letter S.I/16 of 6th September, 1976 and your letter SP/C.201/105 of 3rd September, 1976 and remind you that your action on our request for funds is still awaited. It is to be noted that the Bank overdraft facilities expires at the end of this month. We shall appreciate an immediate release of funds.

  
E. A. Egbodeyi  
General Manager.



Telephone: IBADAN 62810-62812

OYO  
~~Western State Agricultural Investment Corporation~~ AND CREDIT

(A STATUTORY ORGANISATION OF THE WESTERN NIGERIA GOVERNMENT)



PRIVATE MAIL BAG 5085  
FLOORS 17-19,  
COCOA HOUSE  
IBADAN

6th October, 1976

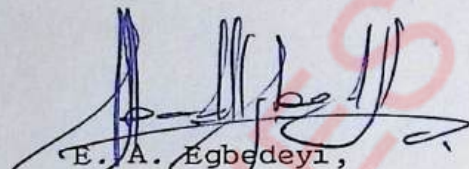
Telex No. 31122 AI. CORP. NG.  
Telegrams, Cables: AGRINVEST, IBADAN  
OUR REF: A/C.2/7/120  
YOUR REF:

Secretary to the Military Government  
and Head of Service,  
Office of the Military Governor,  
Agodi,  
Ibadan.

For the attention of Mr. Omobowale

Subvention for Operating Oyo State  
Investment and Credit Corporation

This is to refer to my letter A/C.2/7/116 of 9th September, 1976 and to ask that an early release of the outstanding ₦98,000.00 will be highly appreciated.

  
E. A. Egbedeyi,  
General Manager.

PS (sc)

From p. 249 custd. f.n.a pbe.

CR.

7/10/76

sp/s 201

PS sc  
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P.158

ARCHIVING

Y.E.,

via S.M.G.&.H.S.,

I respectfully wish to invite Y.E's attention again to the letter at page 74 in which the Chairman of the Oyo State Investment and Credit Corporation made a request to the effect that Government should grant his Corporation a sum of ₦263,800.00 as subvention pending the time the budget of his Corporation would be formally approved so that it could carry out its functions. A break-down of the said sum of ₦263,800.00 which was the sum total of the broad estimates submitted by the Chairman, Oyo State Investment and Credit Corporation as the immediate requirements of his Corporation and which had been x-rayed earlier in the submission at pages 151<sup>A</sup> - 151<sup>D</sup> of the file are reproduced below:

(i)	Investment and Credit Corporation Headquarters and Field Staff salaries and wages .. ..	₦89,000.00
(ii)	Western Livestock Company ..	₦12,000.00
(iii)	Ibadan Area Branch Office (Ibokun, Iwo, Eruwa and Eleiyele) ..	₦9,000.00
(iv)	Monthly pensions .. ..	₦10,000.00
(v)	Arrears of pensions for those compulsorily retired who are below 45 years October, 1975 - September, 1976 .. ..	₦17,500.00
(vi)	Gratuities due for payment ..	₦6,300.00
(vii)	Requirement for September, 1976 (items (i) - (iv) .. ..	₦120,000.00
	Total .. ..	<u>₦263,800.00</u>

The point I want to bring into focus by referring to the submission at pages 151<sup>A</sup> - 151<sup>D</sup> can be found at X on page 151<sup>B</sup> wherein I stated that "the sum of money required by the Corporation for carrying out its operations should be ₦143,800.00 and not ₦263,800.00 because the figure shown under item No. (vii) above is an inadvertent duplication of the figures shown under items No. (i) - (iv) above."

2. I should mention at this juncture that it has now been proved beyond doubt that the sum of ₦120,000.00 shown under item No. 1(vii) was not an inadvertent duplication of the total sum of ₦120,000.00 shown under items No. (i) - (iv) in the preceding paragraph. The General Manager, Oyo State Investment and Credit Corporation observed in his letter at page 158 that his Corporation's request for funds as stated in the letter at page 74 was not properly presented and this explains the reason why the sum of ₦120,000.00 shown in paragraph 1(vii) above was erroneously regarded as an inadvertent duplication of the total sum of ₦120,000.00 shown as items i - iv vide the submission at pages 151<sup>A</sup> - 151<sup>D</sup> which was earlier put up for Y.E's consideration. It has now been clearly presented in the General Manager's letter at pages 158 - 159 that:

- (i) the total sum of ₦120,000.00 under items i - iv in the preceding paragraph was the sum of money needed as subvention for the month of August, 1976;
- and (ii) the second sum of ₦120,000.00 shown under item (vii) in the preceding paragraph was the sum of money needed as subvention for the month of September, 1976 in respect of the same items shown in paragraph 1(i) - (iv) above.

3. I recommended vide paragraph 4 of my submission at pages 151<sup>A</sup> - 151<sup>D</sup> that a sum of ₦110,000.00, a break-down of which is shown hereunder, should be granted to the Oyo State Investment and Credit Corporation as subvention.

(i)	Investment and Credit Corporation - Headquarters and Field Staff salaries and wages .. ..	₦89,000.00
(ii)	Western Livestock Company .. ..	₦12,000.00
(iii)	Ibadan Area Branch Office (Ibokun, Iwo, Eruwa and Eleiyele)	₦9,000.00
	<b>Total .. ..</b>	<b>₦110,000.00</b>

(i) Purchase of 100,000 Ordinary Shares at N1.40 each (Guinness Nigeria Limited)	N110,000.00
(ii) Purchase of N100,000 with Debenture Stock 1999 (Guinness Nig. Limited)	N100,000.00
(iii) Purchase of 76,923 Ordinary Shares from Cadbury Nigeria Limited at 65k each	N50,125.00
Total	<u>N260,125.00</u>

I should mention that the General Manager, Oyo State Investment and Credit Corporation addressed a similar letter to the Permanent Secretary, Ministry of Finance and Economic Development on the same subject. The Permanent Secretary, Ministry of Finance and Economic Development subsequently advised the General Manager, Oyo State Investment and Credit Corporation to take a Bank loan so that he could purchase the shares for his Corporation. This advice was accepted by the General Manager. The letter at page 105 was addressed to the General Manager requesting him to communicate to us for information and record purposes the nature of the agreement reached with the Bank which offered his Corporation the loan with which the Shares cum Debentures were purchased. In his reply at page 157 of this file, the General Manager, Oyo State Investment and Credit Corporation indicated that:

- (i) it was the Standard Bank of Nigeria Limited that granted his Corporation over-draft facility to the tune of N260,000.00;
- (ii) his Corporation would also need another sum of N200,000.00 to invest in other ventures like Barclays Bank, Texaco and R.T. Briscoe which would offer Shares for sale soon;
- and(iii) it would be appreciated if:
  - (a) a sum of N260,000.00 could be made available to his Corporation to repay the Bank loan and

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Y.E. approved the recommendation in respect of items (i) & (iii) above and as a result, the Permanent Secretary, Ministry of Finance and Economic Development was requested vide the letter at page 151<sup>G</sup> to release a sum of ₦98,000.00 to the Investment and Credit Corporation of Oyo State as subvention in respect of items (i) & (iii) mentioned earlier in this paragraph. The explanation given by the General Manager, Oyo State Investment and Credit Corporation in his letter at pages 158 - 159 has now revealed that the approval conveyed was in respect of the subvention for the month of August, 1976 and as such another subvention to the tune of ₦98,000.00 should also be granted to the Corporation for the month of September, 1976 in respect of the aforementioned items (i) & (iii).

4. In the light of the explanation given in the preceding paragraphs, I wish to recommend for Y.E's approval that a sum of ₦98,000.00 should be granted to the Oyo State Investment and Credit Corporation as subvention for the month of September 1976 in respect of the items shown in paragraph 3(i) & (iii) above. I should mention that the granting of special subventions to the Oyo State Investment and Credit Corporation for running its essential services would cease as soon as the budget of the Oyo State Investment and Credit Corporation for this financial year which is currently being vetted by the Ministry of Finance and Economic Development is approved.

5. I also wish to invite Y.E's attention to the letter at pages 91 - 92 in which the General Manager, Oyo State Investment and Credit Corporation applied for a Government loan to the tune of ₦260,125.00 so as to afford his Corporation an opportunity of investing in the business operations of Guinness Nigeria Limited and Cadbury Nigeria Limited as indicated below:

that the agreement reached with the Bank was that the loan would be repaid before the end of this month;

- (b) a further sum of ₦200,000.00 would be made available to his Corporation for the anticipated investments in other ventures like Barclays Bank, Texaco and R.T. Briscoe.

6. In the light of the fact stated in the preceding paragraph, I wish to recommend for Y.E's approval that:

- (i) the Permanent Secretary, Ministry of Finance and Economic Development should be requested to make a loan of ₦260,125.00 available to the Oyo State Investment and Credit Corporation so that it could repay the aforementioned Bank loan;
- (ii) the request of the General Manager, Oyo State Investment and Credit Corporation for a further sum of ₦200,000.00 with which his Corporation could invest in other ventures like Barclays Bank, Texaco and R.T. Briscoe should not be granted;
- and (iii) the General Manager, Oyo State Investment and Credit Corporation should be informed that he should await the formal approval of his Corporation's current year estimates before making further attempts to invest in other ventures.

7. The recommendations made in this submission are that:

- (i) the Permanent Secretary, Ministry of Finance and Economic Development should release a sum of ₦98,000.00 to the Oyo State Investment and Credit Corporation as subvention for the month of September, 1976;

- (ii) the Permanent Secretary, Ministry of Finance and Economic Development should be requested to make a loan of N260,125.00 available to the Oyo State Investment and Credit Corporation so that it could repay the aforementioned Bank loan;
- (iii) the request of the General Manager, Oyo State Investment and Credit Corporation for a further sum of N200,000.00 with which his Corporation could invest in other ventures like Barclays Bank, Texaco and R.T. Briscoe should not be granted;
- and (iv) the General Manager, Oyo State Investment and Credit Corporation should be informed that he should await the formal approval of his Corporation's current year estimates before making further attempts to invest in other ventures.

*William Owole*  
 (E.O. Omobowale),  
 Ag. Prin. Sec. (SC),

13 October, 1976

Prin Sec (SC)

In view of the fact that the NP&ED is currently considering the Budget of the Corp for the remainder of this financial year, the Ministry should give us the benefit of its comments on pp. 73-74 particularly as the Corp has to exist while consideration is being given to its Budget. Pl. inform PSNP&ED that a reply would be expected within 2 wks.

*AKINYELE*  
 (9/10/76)

SP/C.201/257

21 October, 1976

The Permanent Secretary,  
Ministry of Finance & Economic Development,  
Ibadan.

Subvention for Operating Oyo State Investment  
and Credit Corporation

I am directed to forward herewith as Appendix 'A' the photostat copy of a letter No. AF/C.2/7/110 of 9th August, 1976 in which the Chairman of the Investment and Credit Corporation of Oyo State requested the Government to grant his Corporation a total sum of ₦263,800.00 as subvention pending the time that the budget of his Corporation would be formally approved. After the request has been considered at this end, your Ministry was requested vide a letter No. SP/C.201/T/10 of 7th September, 1976 to release a sum of ₦98,000 to the Investment and Credit Corporation of Oyo State as subvention in respect of :-

(i) Headquarters and Field Salaries and Wages .. .. .	₦89,000.00
and (ii) Ibadan Area Branch Office (Ibokun, Iwo, Eruwa and Eleiyele .. .. .	₦9,000.00
Total	<u>₦98,000.00</u>

2. The General Manager of the Investment and Credit Corporation of Oyo State has now proved - vide a letter No. A/C.2/7/116 of 9th September, 1976, a photostat copy of which is attached as Appendix 'B' - that the sum of ₦98,000.00 approved for his Corporation earlier was subvention for the month of August 1976 and that his Corporation would need, for the month of September, 1976 another sum of ₦98,000 as subvention in respect of the items mentioned in paragraphs 1(i) and (ii) above.

3. In view of the fact that your Ministry is currently considering the Budget of the Investment and Credit Corporation of Oyo State for the remaining part of this financial year, I have been asked to call for your comments on the request of the Corporation for another grant of ₦98,000.00 as subvention for the month of September, 1976. It is our considered view at this end that the Corporation has to exist while consideration is being given to its Budget.

4. I attach, herewith, as Appendix 'C' the photostat copy of another letter No. S.I/1 of 23rd August, 1976 in which the General Manager of the Investment and Credit Corporation of Oyo State put up a request for a loan of ₦260,125.00 so as to afford his Corporation an opportunity of investing in the business operations of Guinness Nigeria Limited and Cadbury Nigeria Limited. No sooner the letter was received at this end than we got a wind of it that the General Manager addressed a similar letter to your Ministry and that your Ministry had advised him to take a Bank loan so that his Corporation could achieve the aforementioned

objective. The General Manager has now confirmed vide another letter No. S.I/16 of 6th September, 1976 a photostat copy of which is attached as Appendix 'D' that it was the Standard Bank that granted his Corporation overdraft facility of ₦260,000.00 on short term basis. As the loan must be repaid before 30th October, 1976, the General Manager has now requested that the Government should make available to his Corporation a sum of ₦260,000 immediately so that it could repay the Bank loan.

5. I have therefore been specifically asked to inform you that it will be appreciated if you can let us have the benefit of your comments on all the issues raised in the preceding paragraphs within two weeks from the date of this letter.



*(Handwritten signature)*  
(E. O. Omobowale),  
for Secretary to the Military  
Government and Head of Service.

CONFIDENTIAL

ARCHIVES

CR  
K. I V  
*(Handwritten signature)*  
22/10/76



Telephone: IBADAN 62810-62812

SP/C 201

PSSc

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OYO INVESTMENT AND CREDIT  
~~Western State Agricultural Investment~~ Corporation

(A STATUTORY ORGANISATION OF THE WESTERN NIGERIA GOVERNMENT)

Telegrams, Cables: AGRINVEST, IBADAN

OUR REF: A/C.169/Temp.1/1

YOUR REF:



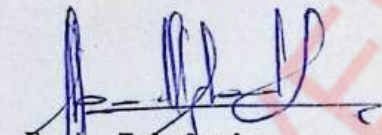
PRIVATE MAIL BAG 5085  
FLOORS 17-19,  
COCOA HOUSE  
IBADAN

7th October, 1976.

Secretary to the Military Government  
and Head of Service,  
Office of the Military Governor,  
Agodi,  
Ibadan.

Oyo State Investment and Credit Corporation Edict

This is to refer to our letter Ref. No. A/C.169/18 of 26th August, 1976 and to ask for progress so far made on the drafting of suitable edict to establish the Corporation.

  
E. A. Egbedeyi  
General Manager

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ARCHIVES



sale 201

PK 260

OYO INVESTMENT AND CREDIT  
**Western State Agricultural Investment Corporation**

(A STATUTORY ORGANISATION OF THE WESTERN NIGERIA GOVERNMENT)

Telephone: IBADAN 62810—62812

Telegrams, Cables: AGRINVEST, IBADAN

OUR REF: A/C.169/82.

YOUR REF:

PRIVATE MAIL BAG 5085

FLOORS 17—19

COCOA HOUSE

IBADAN

11th October, 1976.

The Secretary to the Military Government  
and Head of Service,  
Office of the Military Governor,  
Agodi, Ibadan.

(For the Attention of Mr. Omobowale)

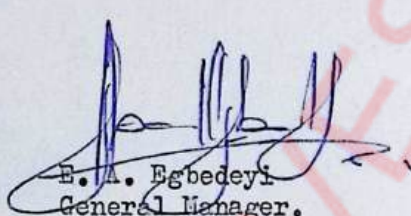
Staff Structure for Oyo State Investment and  
Credit Corporation



1156  
P. 175

In reply to your letter SP/C.201/156 of 8th September, 1976, please be informed that the Corporation's complete Budget has been considered by the Board and the approved proposals have been forwarded to you with our letter A/C.169/78 of 27th September, 1976.

I am however directed by the Board to mention that the Board does not deem the organisation structure designed by the Permanent Secretary Ministry of Establishments and Training suitable for effective Management of the Corporation. The Board of the Corporation has adopted the structure as an interim measure only, and it is hoped to present a more workable structure along with the 1977/78 Budget proposals.

  
E. A. Egbedeyi  
General Manager.

ARCHIVES



OYO

~~Western State Agricultural Investment Corporation~~ AND CREDIT

(A STATUTORY ORGANISATION OF THE WESTERN NIGERIA GOVERNMENT)

PRIVATE MAIL BAG 5085  
FLOORS 17-19  
COCOA HOUSE  
IBADAN

Telephone: IBADAN 62810-62812

Telegrams, Cables: AGRINVEST, IBADAN

OUR REF: SS.109/Vol.3/183.

YOUR REF:

14th October, 19 76.

The Secretary to the Military Government  
and Head of Service,  
Office of the Military Governor,  
Agodi,  
Ibadan.



It would be appreciated if you could advise us at your earliest convenience as to whether the defunct Western State Agricultural Investment Corporation, was wound up, or replicated by the creation of Oyo State Investment and Credit Corporation.

*M. B. Kassim*  
( M. B. Kassim ),

for: General Manager.

Prim. Sec. (sc)

*Pl. See P. 270*

Above referred for n.a. plce.

*ca.*  
19/10/76

*CR*  
*pl. merge with main*  
*file and resubmit*  
19/10/76

ARCHIVES

26 ✓

Pr. Sec (sc)

From p. 259, ~~...~~ was submitted. f.n.a. plse.

CR

22/10

ARCHIVES OF OYSCAC



80/c 201 263

OYO STATE INVESTMENT AND CREDIT CORPORATION  
~~Western State Agricultural Investment Corporation~~

(A STATUTORY ORGANISATION OF THE WESTERN NIGERIA GOVERNMENT)

Telephone: IBADAN 62810—62812  
Telegrams, Cables: AGRINVEST, IBADAN

OUR REF: A/C.169/83

YOUR REF:



PRIVATE MAIL BAG 5085  
FLOORS 17—19  
COCOA HOUSE  
IBADAN

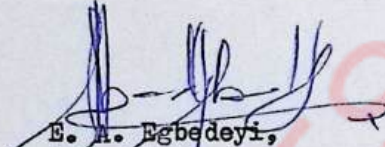
21st October, 1976

Secretary to the Military Government  
and Head of Service,  
Office of the Military Governor,  
Agodi,  
Ibadan.

Oyo State Investment and Credit Corporation Edict

This is to remind you of our letters Nos. A/C.169/18 of 26th August, 1976 and A/C.169/Temp.1/1 of 7th October, 1976 and to ask for progress made so far on this vital subject.

P. 251

  
E. A. Egbideyi,  
General Manager.

AS(sec)

Above is custd please.

7  
ca.

20/10/76

21

SP/C.201/T/21

11<sup>th</sup> November, 1976

The General Manager,  
Oyo State Investment and Credit Corporation,  
Cocoa House,  
Ibadan.

Dissolved Western State Statutory  
Corporations - Matters Affecting

I am directed to refer to my letter No. SP/C.201/T/19  
dated 7th October, 1976 and to enquire about the present position.

(S.O. Oladapo),  
for Secretary to the Military Government  
and Head of Service.

*Pls see P 22*



*Bu. on 6/12/76. ✓*



OYO STATE INVESTMENT AND CREDIT  
~~Western State Agricultural Investment Corporation~~

(A STATUTORY ORGANISATION OF THE WESTERN NIGERIA GOVERNMENT)

Telephone: IBADAN 62810-62812

Telegrams, Cables: AGRINVEST, IBADAN

OUR REF: A.2/128 Vol.3/16

YOUR REF:



PRIVATE MAIL BAG 5085  
FLOORS 17-19  
COCOA HOUSE  
IBADAN

8th November, 1976

Secretary to the Military Government  
and Head of Service,  
Office of the Military Governor,  
Agodi,  
Ibadan.

N.A.B. Loans

We received copies of the attached two letters from the Nigerian Agricultural Bank Limited. It is confirmed that Mr. Uwachukwu called in our office and spoke to our Chief J. H. Lanahun, Chief Loans Office/in the Agricultural Credit Department of this Corporation and a copy of the attached schedule of loans approved for storage facilities was given to him for information only.

Even though your office does not appear to have communicated with us on this issue, we feel it might be of great help to all concerned if we give our advice on the matter.

The Nigerian Agricultural Bank wishes the parties concerned to consider one of two alternatives. We recommend the first alternative, that is, the cost of actual installation physically located in each State should be charged to the State. While actual cost cannot be given at the moment, the attached storage facilities show one aspect of the whole issue and this indicates that the total sum of actual storage facilities and driers located in Oyo State is ₦249,862.92. When the accounts of the old Western State Agricultural Investment Corporation and the Western State Agricultural Credit Corporation are finalised and the present equipment which form part of this project but are now stored at the Ministry of Agriculture and Natural Resources are shared, it will be possible to give an accurate figure of the total cost to be accounted for by each State based on adoption of alternative (1). It is suggested that the decision be communicated to the N.A.B. in reply to their letters after necessary clearance with the other State Governments concerned.

E. A. Eghedeyi,  
General Manager.

AS (SC) 22/11/76  
Prin. Sec (SC)

Here is referred for n.a. please

my  
CR  
12/11/76

R Sec P 276

50/C 201 ✓

264

P.265-8

P.267

265 ~~267~~

( COPY )

Our Ref: P-YYS10W106

4th August, 1976

The Secretary to the Military Government  
and Head of Service,  
Ogun State.

The Secretary to the Military Government  
and Head of Service,  
Oyo State.

The Secretary to the Military Government  
and Head of Service,  
Ondo State.

Dear Sir,

WESTERN STATE AGRIC. CREDIT CORPORATION

The above subject in December, 1974 entered into a loan agreement for the sum of ₦4,368,210 (four million, three hundred and sixty-eight thousand, two hundred and ten naira). This loan was guaranteed by the government of the former Western State of Nigeria. With the creation of states, it has become necessary to review the guarantee and the project for which the guarantee was given.

The undersigned visited the three states carved out of the former Western State and discussed with the following :

1. Ogun State - Mr. A. O. Ladeinde, Secretary for Finance and Administration, Ministry of Agriculture and Natural Resources, Abeokuta.
2. Oyo State - Mr. S. O. Kolawole, Secretary for Finance and Administration, Ministry of Agriculture and Natural Resources, Ibadan.
3. Ondo State - Mr. J. A. Ogundele, Secretary for Finance and Administration, Ministry of Agriculture and Natural Resources, Akure.

266 268

4. W.S.A.C.C. @ Chief J. H. Laninhun, Chief Loans Officer.

You may wish to consider one of the following lines of action on the above :

1. Since these are physical projects within the states, a physical inventory could be taken of projects presently financed and to be financed within each state. Each state government would then enter into a guarantee for what projects are physically within its boundaries. It is expected that the total of the guarantees will be the same as the initial loan amount.
2. In the alternative, you may wish to adopt the 44:31:25 ratio which was adopted in the sharing of assets and liabilities within your three states for purpose of guaranteeing the NAB the loan.

Please, we would appreciate it if you would advise us of the line of action you would wish to take in this regard to enable us bring our documentation up-to-date.

In the meantime, requests for funds have continued to come from the Western State Agric. Credit Corporation and disbursements have continued to them. ₦604,543.00 (Six hundred and four thousand, five hundred and forty-three naira) was disbursed in June and we have now a further request for ₦167,388.50 (one hundred and sixty-seven thousand, three hundred and eighty-eight naira, fifty kobo).

Yours faithfully,  
NIGERIAN AGRICULTURAL BANK LIMITED

(Sgd) C. E. Nwachuku  
MANAGER, OPERATIONS DEPARTMENT.

cc:

The Permanent Secretary,  
M.A.N.R., Ogun State.

The Permanent Secretary,  
M.A.N.R., Oyo State.

The Permanent Secretary,  
M.A.N.R., Ondo State.

General Manager, W.S.A.C.C., Ibadan.

Area Office - Ibadan.

COPY

267265

Our Ref: P-YY510W106

13th October, 1976.

The Secretary to the Military Government  
and Head of Service,  
Ogun State.

The Secretary to the Military Government  
and Head of Service,  
Oyo State.

The Secretary to the Military Government  
and Head of Service,  
Ondo State.

Dear Sir,

WESTERN STATE AGRIC. CREDIT CORPORATION

We refer to our letter, reference P-YY510W106 of 4th August, 1976,  
on the above subject.

We observe that we have to date not received a reply or replies to  
this letter and we have not been informed of what line of action has  
been taken to disengage the Western State Agricultural Credit Corporation.

We are in receipt of a letter from the OYO STATE INVESTMENT AND  
CREDIT CORPORATION (AGRIC. CREDIT DEPT.) requesting further disbursements  
under the scheme approved for the Western State Agricultural Credit  
Corporation.

Please, we would appreciate it if you would advise us of what action  
has been taken re the disengagement of the Western State Agricultural  
Credit Corporation to enable us up-date our documentation and determine  
what part of the outstanding loan goes where.

.../2

Please treat as urgent as delay may affect subsequent disbursements and adversely affect the implementation of the scheme.

Yours faithfully,  
NIGERIAN AGRICULTURAL BANK LIMITED

(Sgd) C. E. Nwachuku  
MANAGER, OPERATIONS DEPARTMENT.

cc:

The Permanent Secretary,  
M.A.N.R., Ogun State.

The Permanent Secretary,  
M.A.N.R., Ondo State.

The Permanent Secretary,  
M.A.N.R., Oyo State.

The General Manager,  
W.S.A.C.C., Ibadan.

Area Office - Ibadan.

268  
~~266~~  
ARCHIVES OF O.S.C.A.C

WESTERN STATE AGRICULTURAL CREDIT CORPORATION

Loans Approved for Storage Facilities

267

ITEMS	UNIT PRICE (N)	S T A T E S														TOTAL LOANS APPROVED (N)	
		O Y O						O N D O						O G U N			
		IBADAN CIRCLE		OSHUN CIRCLE		TOTAL		AKURE CIRCLE		EKITI CIRCLE		TOTAL		ABEOKUTA CIRCLE			
NO.	Value(N)	No	Value (N)	No	Value(N)	No.	Value(N)	No.	Value (N)	No	Value(N)	No.	Value (N)	No.	Value (N)		
RICE MILL AND ENGINE	3175.00	1	3,175.00	2	6,350.00	3	9,525.00	-	-	3	9,525.00	3	9,525.00	4	12,700.00	31,750.00	OYO: Shaki, Erinmo, Iwara ONDO: Igbemo, Aiyedun, Efon-Alaye, OGUN: Obafemi, Owode, Wasimi, Ilaro
PLYWOOD BIN DRYER	4283.34	1	4,283.34	2	8,566.68	3	12,850.02	-	-	3	12,850.00	3	12,850.00	4	17,133.36	42,833.40	"
DRYER ENGINES	8400.00	1	8,400.00	2	16,800.00	3	25,200.00	-	-	3	25,200.20	3	25,200.00	4	33,600.00	84,000.00	"
DRYERS FOR PLYWOOD BINS	1920.00	1	1,920.00	2	3,840.00	3	5,760.00	-	-	3	5,760.00	3	5,760.00	4	7,680.00	19,200.00	"
SPARE PARTS (FOR 1 yr)	8134.00		814.30		1,628.60		2,442.90				2,442.90		2,442.90		3,257.20	8,143.00	"
PORTAL STEEL FRAME WAREHOUSES	37589.00	1	37,589.00	2	75,178.00	3	112,767.00	-	-	3	112,767.00	3	112,767.00	4	150,356.00	375,890.00	"
CLIBS	2500.00	14	35,000.00	6	15,000.00	20	50,000.00	2	5,000.00	4	10,000.00	6	15,000.00	4	10,000.00	75,000.00	OYO: Shaki, Ilero, Iseyin, Oyo, Iwo, Eruwa, Igboora, Osogbo, Ogbomosho, Ila ONDO: Ikole, Ikare, Owena OGUN: Idi-Emi, Ifonyintedo
WEIGHING SCALES	225.00	8	1,800.0	5	1,125.00	13	2,925.00	1	225.00	5	1,125.00	6	1,350.00	6	1,350.00	5,625.00	OYO: Shaki, Erinmo, Iwara, Shaki, Iseyin, Oyo, Iwo, Eruwa, Igboora, Osogbo, Ogbomosho, Ila ONDO: Igbemo, Aiyedun, Ikole, Efon-Alaye, Ikare, Owena OGUN: Obafemi, Owode, Wasimi, Ilero, Idi-Emi, Ifonyintedo
ENGINE DRIVEN MAIZE SHELLER	705.00							1	705.00			1	705.00			705.00	ONDO: Owena
TRACTOR DRIVEN MAIZE SHELLER	2780.00	7	19,400.00	3	8,340.00	10	27,800.00	-	-	2	5,560.00	2	5,560.00	2	5,560.00	38,920.00	OYO: Shaki, Ilero, Iseyin, Oyo, Iwo, Eruwa, Igboora, Osogbo, Ogbomosho, Ila
TOTAL SPARES (For 1 year)	830.00		41415.40		177.60		593.00				118.50		118.50		118.50	830.00	ONDO: Ikole, Ikare OGUN: Idi-Emi, Ifonyintedo
TOTAL			112,857.04		137,005.88		249,862.92		5,930.00		185,348.62		191,278.42		241,755.06	683,896.40	44% of N682,896.40 = N300,424.41 31% " " = 211,697.88 25% " " = 170,724.11 N682,896.40

Confidential

SP/C.201/270

17 November, 1976

The General Manager,  
Oyo State Investment and  
Credit Corporation,  
P. M. B. 5085,  
Ibadan.

The Defunct Western State Agricultural  
Investment Corporation

P.261

I am directed to refer to your letter No.  
SS.109/Vol.3/183 of 14th October, 1976 and to inform you  
that no attempt will be made to answer the question raised  
in your letter under reference until you state clearly  
what prompted you to raise the question.



*E. O. Omobowale*  
(E. O. Omobowale),  
for Secretary to the Military  
Government and Head of Service.

CONFIDENTIAL

CONFIDENTIAL

SP/C.201/271

17 November, 1976

The General Manager,  
Oyo State Investment and  
Credit Corporation,  
P.M.B. 5085,  
Ibadan.

Oyo State Investment and Credit  
Corporation Edict

I am directed to refer to your letter No.

P-259  
A/C.169/Temp.1/1 of 7th October, 1976 and to inform you that necessary spade work that would culminate in the publication of the Edict establishing your Corporation in the Government Gazette is still in progress. You will be kept abreast of further developments on this matter.



*E. O. Omobowale*  
(E. O. Omobowale),  
for Secretary to the Military  
Government and Head of Service.

CONFIDENTIAL

273  
Y. E.,

Via S.M.G. & H.S.

Sec. (SD) 79/12

I humbly invite Your Excellency's attention to page 264 of this file which contains a letter signed by the General Manager of Oyo State Investment and Credit Corporation in which he confirmed that one Mr. Nwachuku called in their office and spoke to Chief J. H. Lanahun, Chief Loan Officer in the Agric. Credit Department of the Corporation on the loan - ₦4,368,210 which was guaranteed by the former Western State Government. He felt that with the creation of States, the guarantee should be reviewed.

2. In the letters at pages 265 - 268 signed by Mr. C. E. Nwachuku, the Nigerian Agricultural Bank Limited gave the parties concerned two lines of action.

"(a) Since these are physical projects within the States, a physical inventory could be taken of projects presently financed and to be financed within each State. Each State Government would then enter into a guarantee for what projects are physically within its boundaries. It is expected that the total of the guarantees will be the same as the initial loan amount.

(b) In the alternative, you may wish to adopt the 44 : 31 : 25 ratio which was adopted in the sharing of assets and liabilities within the three States for the purpose of guaranteeing the N.A.B. loan."

3. According to the contents of the letter at page 264, the GM of Oyo State Investment and Credit Corporation had recommended the first line of action, that is, the cost of actual installation physically located in each State should be charged to the State. The GM could not give the actual cost to be accounted for by Oyo

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State Government because the accounts of the Old Western State Agric. Investment Corporation and Western State Agric. Credit Corporation were yet to be finalised and the present equipments now stored at the Ministry of Agric. and Natural Resources have not been shared.

4. I discussed the issue with the U.S. (SIC) who told me that the S.I.C. had no specific decisions in respect of loans guaranteed by the former Western State Government.

5. In the light of the foregoing, I support the recommendation of the GM of Oyo State Investment and Credit Corporation that each State should be responsible for the projects presently financed and those to be financed from the N.A.B. loan.

6. Subject to Your Excellency's approval, the GM of Oyo State Investment and Credit Corporation will be informed to expedite action on the sharing of the equipments referred to in his letter at page 264 and to finalise the accounts of the old Western State Agric. Investment Corporation and Western State Agric. and Credit Corporation so that it will be possible for each State to know the share of the loan it has to guarantee for.

*E.A. Osundiran*  
(E. A. Osundiran),  
A.S. (SC)

*th*  
7 December, 1976.

7. The question of the Nigerian Agricultural Bank Limited loans granted for storage facilities to the old Western State Agric. Corporation and Western State Agric. Credit Corporation is a contractual agreement between the two Corporations and the Bank backed by the Western State guarantee. It seems to me therefore that though the two alternatives recommended are practicable, it is a matter which involves a tripartite legal obligation and liability.

8. In view of paragraph 7, I would suggest that -
- (a) we seek the immediate assistance of the Solicitor-General in re-arranging the legal obligation in order to cover up all technical and legal loopholes in the matter;
  - and (b) remind the General Manager, Oyo State Investment and Credit Corporation to expedite action in taking the inventory of all the assets and liabilities involved while waiting for the advice of the Solicitor-General.
9. We can afford to wait for the advice of the Solicitor-General before bringing H.E. in the picture.

(M. O. Onajide),  
Sec. (SD)

9<sup>th</sup> December, 1976.

Sec. (Sc)

I agree with your paras. 8 + 9 above. Pl. proceed accordingly. It will, of course, be necessary for you to make available to the S-G. copies of the Agreements between the two Corps. and the N.A.B.

Zil  
G. O. ABE  
9/12.

276

SP/C.201/276

*gt*  
December, 1976

The General Manager,  
Oyo State Investment and  
Credit Corporation,  
P.M.B. 5085,  
Ibadan.

Nigerian Agricultural Bank Limited  
Loans to old Western State Corporations  
for storage facilities

*P 264*

I am directed to refer to your letter No. A.2/128 Vol.3/16 of 8th November, 1976 and to request you to accelerate action on the inventory of all assets and liabilities under the agreements entered into by the Corporations and the Bank.

2. As the question of the agreement between the Corporations and the Bank is a contractual obligation, it is considered desirable to seek the immediate assistance of the Solicitor-General before taking a final decision on the matter.

3. In view of the above, it will be appreciated if you will examine your official records and forward to this Office, as a matter of urgency, copies of all the agreements entered into by both parties and the Western State guarantee with a view to making them available to the Solicitor-General to facilitate his legal advice. If it is a similar agreement, a specimen copy of the agreement and that of the Government guarantee will be enough.

(*M. O. Onajide*),  
for Secretary to the Military  
Government and Head of Service.



*pls see p 288*

CONFIDENTIAL

*CR, Please to despatch today and by 23/12*

*gt*  
*9/12*

SP/C 201/T 22  
276A



Telephone: IBADAN 62810-62812

OYO STATE INVESTMENT AND CREDIT CORPORATION  
~~Western State Agricultural Investment Corporation~~

(A STATUTORY ORGANISATION OF THE WESTERN NIGERIA GOVERNMENT)

Telex No. 31122 AI. CORP. NG.  
Telegrams, Cables: AGRINVEST, IBADAN  
OUR REF: A/C.168/VI.2/132  
YOUR REF:

PRIVATE MAIL BAG 5085  
FLOORS 17-19,  
COCOA HOUSE  
IBADAN

25th November, 1976

The Secretary to the Military Government  
and Head of Service,  
Office of the Military Governor,  
Ibadan.



Dissolved Western State Statutory Corporations -  
Matters Affecting

P. 21 With reference to your letter No. SP/C.201/T/21 of 11th November, 1976, the final accounts of the Agricultural Credit Corporation and the Agricultural Investment Corporation are still being prepared and until they are completed, representatives of the replicated Corporations in the three States cannot meet.

2. As soon as a meeting is held, you will be notified of any decisions reached.

*G. O. Ajani*  
(G. O. Ajani),  
for General Manager.

US (SIC)

Above is submitted, please.

CR  
28/11

By, on 27/12/76.

~~HS (SIC)~~  
~~Above Bu. pastd. please~~

*[Signature]*  
29/11/76

~~7 at 27/11~~

23 276B

US (810)

22/12 ... leaf is now held ...  
for today



The Secretary to the ...  
and ...  
of the ...

...

...

...

...

ARCHIVES OF THE SAC



Telephone: IBADAN 62810-62812

**OYO STATE INVESTMENT AND CREDIT CORPORATION**  
**~~Western State Agricultural Investment Corporation~~**

(A STATUTORY ORGANISATION OF THE WESTERN NIGERIA GOVERNMENT)

Telegrams, Cables: AGRINVEST, IBADAN

OUR REF: S.1/36

YOUR REF:

PRIVATE MAIL BAG 5085  
FLOORS 17-19,  
COCOA HOUSE  
IBADAN

8th December, 1976

The Permanent Secretary,  
Ministry of Finance,  
Secretariat,  
Ibadan.

For Attention: Mr. F.O. Abiona



Capital Loan in Investment

I am directed to refer to our letter S1/9A of 25th August, 1976 and to inform you that the amount of N260,125 have been invested in business operations of Guinness (Nigeria) Limited and Cadbury (Nigeria) Limited as tabulated in our letter under reference.

2. However, the investment propositions have not been as successful as planned with the result being as follows:-

(i) Ordinary Shares in Guinness (Nigeria) Ltd.

The total amount paid in applying for purchase of 100,000 Ordinary Shares of N1.10 each have been returned in full = N110,000

(ii) Debenture Stock in the Guinness (Nigeria) Limited

Only 50% of the proposition of N100,000 worth of Debenture Stock 1999 in Guinness (Nigeria) Limited were allotted to the Corporation. The balance of N50,000 have been returned in full. = 50,000

(iii) Ordinary Shares in Cadbury (Nigeria) Ltd.

The total amount paid in applying for the purchase of 76,923 ordinary shares from Cadbury (Nigeria) Limited at 65k each amounting to N50,125 have been returned in full. = 50,125

3. From the above, it will be seen that out of N260,125 given for investment purposes only N50,000 have been utilised. The balance of N210,125 is being proposed to be used for further investments in profitable business operations as and when these shares are put up for public subscription.

4. In pursuance of this, the Corporation after a comprehensive analysis and appraisal of the Nichemtex Industries Limited prospectus, has decided to utilise N100,000 of the above balance in paying for the purchase of the following investments in the Company:-

278

- (i) 25,000 9% Cumulative Redeemable Convertible Participating Preference Shares of ₦2 at par = ₦50,000
- (ii) 8½% C Debenture Stock 1978/83 of ₦1.00 at par = 50,000  
₦100,000

*206*  
 (E.O. Alalade)  
 Controller of Finance  
 for: General Manager

c.c. The Secretary to the Military Governor  
 and Head of Service,  
 Military Governor's Office,  
 Secretariat,  
Ibadan.

For Attention: Mr. E.O. Omobowale

Above for information, your letter No. SP/C.201/105 of  
 3rd September, 1976 refers.

*Big: AHS*  
 (E.O. Alalade)  
 Controller of Finance  
 for: General Manager

Sec (sc)

Above is respect fully submitted, please.

*my*  
 CR  
 10/12/76

Noted + P.A.  
*[Signature]*  
 10/12

*P. 105*  
*in Vol. I*  
*attached*

50/c 2017

278A



Telephone: IBADAN 62810-62812

OYO STATE INVESTMENT AND CREDIT CORPORATION  
~~Western State Agricultural Investment Corporation~~

(A STATUTORY ORGANISATION OF THE WESTERN NIGERIA GOVERNMENT)



PRIVATE MAIL BAG 5085  
FLOORS 17-19,  
COCOA HOUSE  
IBADAN

10th December, 1976

Telex No. 31122 AI. CORP. NG.  
Telegrams, Cables: AGRINVEST, IBADAN  
OUR REF: A/C.41/178  
YOUR REF:

The Secretary to the Military Government  
and Head of Service,  
Office of the Military Governor,  
Ibadan.

The Upper Ogun Cattle Ranch was one of the Projects of the former Western State Agricultural Investment Corporation until it was decided in 1975 to transfer it, along with some other Cattle Ranches in the then Western State, to the Western Livestock Company which was then formed. Up till now, however, the Oyo State Investment and Credit Corporation which took over the Management of the Ranch on the dissolution of the Agricultural Investment Corporation has been providing funds for the running of the Ranch, as the Western State Livestock Company has not formally taken over the Ranch.

2. Provision for funds for the running of the Ranch was included in the 1976/77 Estimate for the Oyo State Investment and Credit Corporation, but the Ministry of Finance turned this down on the ground that the Ranch had since ceased to be one of the Corporation's Projects.

3. In order to ensure that the Ranch does not deteriorate before the Western Livestock Company takes off, the Board of this Corporation has decided to sell some of the animals at the Ranch to obtain funds for the running of the Ranch until it is taken over by the Western Livestock Company.

*G. O. Ajani*  
(G. O. Ajani),  
for General Manager.

Pl. Sec P. 2  
Ph. Sec P. 27  
Sec (Sec)

*P. call for the comments of PSNANR urgently. I do not think above will be proper since the animals form part of the assets to be taken over on devolving to form part of the shares of the States Commission.*

2

278B

SP/C.204/2/T/2

14<sup>th</sup> December, 1976

The Permanent Secretary,  
Ministry of Agriculture and  
Natural Resources,  
Ibadan.

Upper Ogun Cattle Ranch:  
Transfer to Western Livestock Coy

P-1

I am directed to forward herewith copy of a letter No. A/C.41/178 of 10th December, 1976 received from the General Manager, Oyo State Investment and Credit Corporation on the above-named subject and request for the favour of urgent comments on the views expressed.

2. The view expressed in paragraph 3 of the letter under reference does not appear to me to be proper having regard to the fact that the animals form part of the assets to be taken over on value as part of the shares of all the States concerned in the Company.



(M. O. Onajide),  
for Secretary to the Military  
Government and Head of Service.

Ch. Please despatch original cbe and  
28/12

by 28/12

SP/C 201/2 2724 3

MINISTRY  
OF AGRICULTURE



AND  
NATURAL RESOURCES

ADMINISTRATION AND GENERAL DIVISION  
IBADAN · WESTERN STATE OF NIGERIA



Your Ref. No.....  
All communications should be  
addressed to the Permanent Secretary  
quoting  
Our Ref. No. EC. 249/221

Date...17th December, 1976.

Secretary to the Military Government &  
Head of Service,  
Office of the Military Governor,  
Agodi,  
Ibadan.

(For the attention of Mr. M.O. Onajide)

Upper Ogun Cattle Ranch

With reference to your letter No. SP/C. 201/2/T/2 of 14th December, 1976, and its attachment, I wish to inform you that the General Manager of Oyo State Investment and Credit Corporation brought to my notice about three months ago his Corporation's difficulties in raising funds, other than by selling cattle, for urgent capital development. I then sent to him a reply as in my letter No. E.C.255/Vol.1/74 of 15th October, 1976 (copy attached) saying that Oyo State Government could not unilaterally authorise the sale of cattle from Upper Ogun.

2. Shortly after, I held a meeting in my office with the Permanent Secretaries to the Ministry of Agriculture and Natural Resources of Ondo and Ogun States on the subject and it was agreed that any number of cattle that the Upper Ogun Ranch might be willing to sell should be purchased by the three State Governments on the well-known and acceptable basis of 44:31:25 to Oyo, Ondo and Ogun State Governments respectively. However, I have since had a rethinking on the matter after learning of the Federal Government's failure to obtain Ndama Cattle from Mali, Niger and other West Africa States, after a protracted negotiation. I understand as a matter of fact that inavailability of Ndama Cattle has been identified as a major constraint in the implementation of the World Bank - financed Livestock Project in Nigeria. There is no doubt therefore that the sale of cattle from the Upper Ogun Ranch would be regarded by the World Bank as an act of sabotage. For this reason, I have decided to ask the Investment and Credit Corporation to hand over the Upper Ogun ranch to my Ministry, which will have no financial difficulty in maintaining the animals ~~takes~~ before the Western Livestock Company takes off.

3. I am addressing a copy of this letter to the General Manager of the Investment and Credit Corporation for his reaction to this proposal.

A. See page 25

S.O. Babalola,  
Permanent Secretary.

Oh, please enclose and submit  
see ccu  
serve is hereby submitted f.n.a pbe  
17/12  
7 CR 17/12/76

COPY

2780 4

EXTENSION SERVICES  
XXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXX  
XXXXXXXXXX  
OYO

E.C.255/Vol.1/74

15th October, 1976

The General Manager,  
Oyo State Investment and Credit Corporation,  
P.M.B. 5085,  
Cocoa House,  
Ibadan.

(Attention of Mr. Adeyinka Togun).

Financing Essential Capital Equipment-  
Western Livestock Company

I am directed to refer to your letter No. AG.10/1/Vol.4/112 of 21st September, 1976, and to inform you that your letter was endorsed to the Permanent Secretaries of Ministry of Agriculture and Natural Resources of Ondo and Ogun States who are represented on the Board of Directors of Western Livestock Company. The letter was also endorsed to Mr. J. B. Ritson, Project Manager, Livestock Project Unit, Federal Livestock Department, Kaduna.

2. While I am still expecting to hear from Akure and Abeokuta I am directed to inform you that Oyo State Government alone is not competent to authorise you to sell the cattle on the ranch for running the ranch pending the time the Western Livestock Company will be in full control.

3. However, I wish to make a few comments on the request itself. The most urgent requirement is water supply in view of the impending dry season. The purchase and use of tractors, tree extractors rotary slashers, planters, fertilizer spreader, ploughs may wait until the next planting season when they will normally be used for essential operations. Fortunately, the Western Livestock Company would have taken off by that time and all the equipment and machinery purchased by the Livestock Production Unit for developing the five ranches will be used to advantage as they have already been bought by the Federal Livestock Production Unit (Mechanisation Section).

4. As far as stumping is concerned, the Range Development Specialist for the project has advised the Ministry against manual stumping which he claimed his Unit would be able to carry out more effectively and more cheaply mechanically. He therefore suggested that stumping operations then going on at Akunu and Oke-Ako should be stopped. A copy of his letter is attached for your perusal.

5. In case of water supply, I suggest that the three States should arrange the purchase and installation of water pump and engine immediately. However, the decision of the Permanent Secretaries will be communicated to you soon.

(Sgd.) O. O. Buraimo  
for Permanent Secretary.

278E 5  
COPY

P. M. B. No. 2012

Ref. No. LPU/PER/9

Telegrams FEDAG

Date 30th April, 1976

Telephone 23171

Mr. M. B. Tella,  
Controller Agricultural Services,  
Chairman Western Livestock Co.,  
Ministry of Agric. & Natural Resources,  
IBADAN, OYO STATE.

Dear Mr. Tella,

Thank you for your time spent last Wednesday discussing the progress of W.L.C. As Mr. Dalton confirmed we visited Ibarapa, Akunnu and Oke Ako ranches and returned to Kaduna on Saturday.

It was pleasing to see ranches, particularly Akunnu, with personnel obviously proud of the job they are doing.

At both Oke Ako and Akunnu we inspected the current work destumping new areas. I understand this work is costing ₦60-90/acre, this is extremely expensive. Once L.P.U. becomes effective, using a pulling chain between two crawler tractors, at the end of the wet season the trees can be felled and raked into heaps very cheaply. The cost will not only be drastically reduced to ₦15-20 per acre, the chaining operation removes the roots and stumps from the ground eliminating a large part of the current regrowth problem. For this reason I suggest that the current destumping programme on all W.L.C. properties should be stopped. Those areas being destumped will present a difficult problem for ploughing equipment if the work continues: the present destumping technique involves cutting the roots off at the stump base and leaving the roots in the ground.

Yours sincerely,

(Sgd.) B. HEMSLET.  
LAND DEVELOPMENT SPECIALIST.



Telephone: IBADAN 62810—62812

OYO STATE INVESTMENT AND CREDIT CORPORATION  
~~Western State Agricultural Investment Corporation~~

(A STATUTORY ORGANISATION OF THE WESTERN NIGERIA GOVERNMENT)

Telex No. 31122 AI. CORP. NG.  
Telegrams, Cables: AGRINVEST, IBADAN  
OUR REF: A/C.169/87  
YOUR REF:



PRIVATE MAIL BAG 5085  
FLOORS 17—19,  
COCOA HOUSE  
IBADAN

17th December, 1976

The Secretary to the Military Government  
and Head of Service,  
Office of the Military Governor,  
Ibadan.

Oyo State Investment and Credit Corporation Edict

With reference to your letter No. SP/C.201/271 of 17th November, 1976, Finance Houses have been pressing for a copy of the Law establishing this Corporation, and as this is delaying negotiation for funds for the prosecution of our objectives, it will be appreciated if everything possible is done to publish the relevant Edict early.

2. Please let us know what the present position is.

*G. O. Ajani*  
(G. O. Ajani),  
for General Manager.

Sec(SC)

This shd. be pursued as a matter of considerable urgency pl.

T. A. AKINYELE 20/12/76

SP/C 201 279

P. 271  
ARCHIVES

SP/C.201/T/24

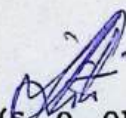
24  
2794  
27<sup>th</sup> December, 1976

The General Manager,  
Oyo State Investment and Credit Corporation,  
Ibadan.

Dissolved Western State Statutory Corporations -  
Matters Affecting

I am directed to refer to your letter no. A/C.168/VI.2/132 of  
25th November, 1976 and to enquire about the present position.



  
(S. O. Oladapo),  
Secretary to Military Government  
and Head of Service.

✓  
By. on 24/1/77

AR  
PL 25



Telephone: IBADAN 62810-62812

OYO STATE INVESTMENT AND CREDIT CORPORATION

XX

(A STATUTORY ORGANISATION OF THE WESTERN NIGERIA GOVERNMENT)

Telex No. 31122 AI. CORP. NG.

Telegrams, Cables: AGRINVEST, IBADAN

OUR REF: I/C.2/51

YOUR REF:



PRIVATE MAIL BAG 5085  
FLOORS 17-19,  
COCOA HOUSE  
IBADAN

30th December, 1976.

The Secretary to the Military Government  
and Head of Service,  
Office of the Military Governor,  
Agodi,  
Ibadan.

Visitor to Lome - Togo

P 248c

.....  
a copy abc

We write to refer to your letter No. SP/C.20/T/14 of 5th October, 1976 and have pleasure in enclosing herewith two copies of the report of the visit to Lome in the Republic of Togo for your information and retention.

*M. A. Adetoye*  
M. A. Adetoye  
for: General Manager

ARCHIVES

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OYO STATE INVESTMENT AND CREDIT CORPORATION

INTERNATIONAL BREWERIES LIMITED

REPORT OF AN INSPECTION VISIT TO BEER BENIN BREWERIES IN LOME, TOGO

Introduction

The International Breweries Limited is a project being promoted by a group of Ijesha indiginies for the purpose of Brewing beer. The project was conceived about four years ago. The original technical partners were the Heninger International of Western Germany who had set up a similar plant in Bendel State. Heninger International were to be responsible for the technical aspect of the Brewery and had infact, submitted specifications for the plant and machinery of an initial capacity of 210,000 Hectolitres of beer per annum. (that is three hundred million cartons of beer per annum) This group however dropped out of the negotiations probably because of inability or unwillingness to meet the attendant financial obligations of the venture. On the advice of the Nigerian Industrial Development Bank, the promoters had discussions with six other technical partners as a result of which Messrs Brauhaase of Holland were chosen as the most suitable.

2. On the establishment of the Oyo State Investment and Credit Corporation, the Corporation decided to seek participation in the venture. Negotiations were promptly entered into with the promoters of the venture and other prospective share-holders as a result of which the following financing plan was agreed upon:-

	<u>Percentage</u>	<u>Equity</u>	<u>Loan</u>
		₦	₦
Promoters	25%	1,020,000	-
OYSICC	25%	1,000,000	600,000
N. B. C. I.	15%	600,000	2,500,000
N. I. D. B.	15%	600,000	2,500,000
O'dua Investment Co. Ltd.	10%	400,000	400,000
Brauhaase	<u>10%</u>	<u>400,000</u>	<u>-</u>
Sub-Total	<u>100%</u>	<u>4,020,000</u>	<u>6,000,000</u>
Working Capital		-	<u>1,500,000</u>
Grand Total			<u>₦11,500,000</u>

282

3. The Board of the Corporation at its meeting held in September, 1976 sanctioned an equity investment of ₦1,000,000 and a long term loan of ₦600,000 in the project. Because of the magnitude of the Corporation's investment and loan in the project, and in view of the fact that it is the first investment decision to be taken by the Corporation, management felt it essential that a visit to one of Brauhaase's functioning breweries situate in Lome, in the Republic of Togo be visited for an assessment of its performance before final arrangements are concluded. Consequently, by a letter dated 29th September, 1976 approval was sought from the Office of the Military Governor to allow Messrs E. A. Egbadeyi and M. A. Adetoye, General Manager and Deputy Controller of Industrial Operations respectively to undertake the trip to Lome. This approval was granted by the Office of the Military Governor. On Monday, 15th November, 1976, both Messrs Egbadeyi and adetoye together with Mr. Isola Farore, the Management Executive of International Breweries Limited left for Lome for the inspection visit. The visit was taken in good faith by Messrs Brauhaase who not only sent one of their officials to accompany us to Lagos but also made adequate arrangements for the officials of the brewery to meet us at the Lome airport. Because it was past noon before we arrived Lome, it was decided that the inspection of the brewery should take place on Tuesday, 16th November, 1976.

4. On Tuesday, 16th November, 1976 an inspection of the brewery was undertaken during which time, the following facts were gathered:-

a. Name of Brewery

Because the brewery is sited in a French speaking Country, it has a French name which is Brasserie du Benin the English equivalent of which is Beer Benin, Incidentally, unlike in Nigeria, this brewery is the only one in the whole of the Republic of Togo. This is due to the smallness of the Country and the fact that the brewery can cope with the Country's demand.

b. Products of the brewery

The brewery produces both beer and soft drinks viz:-

- 1. Lager beer - 66 and 33 centimetre bottles;
- ii. Pils de luxe " " " " "

- iii. Alt Muinchen - 66 and 33 centimetre bottles;
- iv. Boxer Stout - " " " " "
- v. Sparkling Lemonade
- vi. Soda Tonic
- vii. Bitter Lemon and
- viii. Malter Benin

c. Owners of the Brewery

The brewery is owned as follows:-

The Government of the Republic of Togo	25%
A para-statal organisation like OYSICC	15%
Schualtheiss (including Brauhaase)	35%
Merz (a private person)	<u>25%</u>
	<u>100%</u>

The technical partners are Messrs Brauhaase of Holland who are not only the technical partners in the new brewery at Uyo Rivers State and Offa in the Kwara State but are also technical partners and consultants to other breweries in Africa and the Middle East. They are brewery specialists.

d. Equipment Suppliers

Messrs Brauhaase as technical partners and consultants are not in the real sense machine peddlers - However, because of their long experience in the brewery business and their long connection with machine suppliers, they know firms in Holland and Western Germany which can supply the best equipment. It is the policy of Messrs Brauhaase to give a list of machine suppliers and prices to project promoters to enable them later choose from whatever source they consider suitable, Messrs Brauhaase are however willing to help in the purchase of equipment if asked to do so by the promoters. The important thing, however, is that machine supply is not made a condition precedent to their technical and equity participation in any project. In the case of the brewery visited at Lome, the equipments were supplied by various firms from both Western Germany and Holland. These firms were also the erectors of the machines. The inference here is that suppliers of machinery and equipment to International Breweries Limited would also be the erectors.

e. Designed and Actual Outputs

When the Lome brewery was commissioned in 1966, it achieved a production target of 30,000 hectolitres per annum. Since then, the brewery has been expanded and as at December 1975, it produced 200,000 hectolitres of beer and 45,000 hectolitres of soft drinks. We discovered that the machines which Brauhaase helped to supply to the brewery are new machines of the standard type and their efficiency is as high as 98%.

f. Operating characteristics of the Machines

From inquiry, it was found out that the machines do not suffer from frequent breakdowns. Any breakdown at all has in the past been due to electricity failure which is limited to only two times a year at most. However, the brewery has three high - powered standby generating plants which are sparingly used because of regular supply of power from Akdsombo dam in Ghana. Overhauling of the machines takes place once a year during which there is a slack period in production. Otherwise, production is normal throughout the year. The brewery also does not suffer from lack of spare parts as the technical partners ensure that there is a regular supply of spare parts from suppliers. Moreover Spare parts are ordered well in advance of requirement to make allowance for any delay that may arise from shipment. Brewery output is also increased or reduced to meet market fluctuations. Because the brewery caters mainly for local market production is strictly on demand and the factory has facilities for two days' production storages. Importation of beer is very minimal.

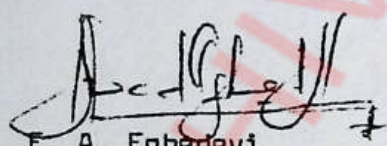
g. Future Expansion Programme

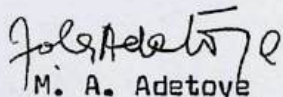
The Lome brewery in its expansion programme, plans to go from two to three shifts. It is also planning to establish a branch of the brewery in the northern part of Togo where there is an ample supply of water which form's a large percentage of beer and soft drinks brewing. This is intended to double the capacity of the existing plant. The Company has also changed from Card board to plastic crates which are handy and more durable. The brewery also gives employment to about 280 workers out of which regrettably only one Togolese is in the

management position. This is not expected to happen in Nigeria for it is the policy of the Federal Military Government that companies should have a systematic training Scheme for Nigerians to enable them take over the management of such companies to give concrete effect to the Government's indigenisation decree.

5. Conclusion

The visit has afforded us to see at first hand, an existing brewery with which the proposed technical partners in International Breweries Limited are connected. The efficiency of their machines is impressive and their technical personnel have demonstrated the required competence, dedication and expertise required for the establishment of the proposed brewery at Ilesha. We are convinced that our investment in the brewery with Messrs Brauhaase as technical partners will yield very good returns. We therefore recommend that the Corporation should go ahead to make its equity investment of #1,000,000 and a long-term loan of #600,000 in International Breweries Limited.

  
E. A. Egbodeyi  
General Manager  
Oyo State Inv. & Credit Corporation  
22/11/76

  
M. A. Adetoye  
Deputy Controller of Ind. Operations

PS(sc)  
Kindly see from p 280  
for use action p. 280  
2/11

CONFIDENTIAL

SP/C.201/286

286  
5 January, 1977

The General Manager,  
Investment and Credit Corporation  
of Oyo State,  
Ibadan.

Investment and Credit Corporation of  
Oyo State Edict P-279

I am directed to refer to your letter No. A/C.169/87 of 17th December, 1976 and to inform you that the Edict establishing the Investment and Credit Corporation of Oyo State will be published very soon. You will be informed in due course when the action being taken on the publication of the Edict is completed.



*E. O. Omobowale*  
(E. O. Omobowale),  
for Secretary to the Military  
Government and Head of Service.

CONFIDENTIAL

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AS (sc)

Pl. deal with the  
report at pages  
281 — 285

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7/1/77

SN/C 201

25  
287A



Telephone: IBADAN 62810-62812

**OYOS TATE INVESTMENT AND CREDIT CORPORATION**  
~~Western State Agricultural Investment Corporation~~

(A STATUTORY ORGANISATION OF THE WESTERN NIGERIA GOVERNMENT)

Telex No. 31122 AI. CORP. NG.  
Telegrams, Cables: AGRINVEST, IBADAN  
OUR REF: A/C.168/V01.2/177  
YOUR REF:



PRIVATE MAIL BAG 5085  
FLOORS 17-19,  
COCOA HOUSE  
IBADAN

5th January, 1977

The Secretary to the Military Government  
and Head of Service,  
Office of the Military Governor,  
Agodi,  
Ibadan.

Dissolved Western State Statutory Corporations -  
Matters Affecting

P24

With reference to your letter No. SP/C.201/T/24 of 27th December, 1976, the final accounts of the Agricultural Investment Corporation have just been completed and a meeting is about to be arranged.

2. The Accounts of the Agricultural Credit Corporation are, however, still in progress.

(G. O. Ajani),  
for General Manager.

US (sic)

Above is submitted pl

W/O

C.R. Bu. on 7/2/77 ✓

US (sic) p. 1. 7

ARCHIVES



Telephone: IBADAN 62810—62812

OYO STATE INVESTMENT AND CREDIT CORPORATION

~~Western State Agricultural Investment Corporation~~

(A STATUTORY ORGANISATION OF THE WESTERN NIGERIA GOVERNMENT)

501/c 201

26  
287B

Telex No. 31122 AI. CORP. NG.

Telegrams, Cables: AGRINVEST, IBADAN

OUR REF: I/C.20/48

YOUR REF:

PRIVATE MAIL BAG 5085

FLOORS 17-19,  
COCOA HOUSE  
IBADAN

5th January, 19 77

The Secretary to the Military Government  
and Head of Service,  
Office of the Military Governor,  
Agodi,  
Ibadan.

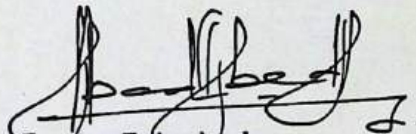


Establishment of a New Brewery  
Project at Ibadan

P 27-29  
.....

Attached is a memorandum on the establishment of a new brewery project at Ibadan, capital of Oyo State. A feasibility study has been undertaken and necessary provision is being made in the 1977/78 Budget. It is also intended to contact several investors and banks for possible equity participation. Approval of necessary Federal Authorities will also be obtained.

2. We shall therefore be very grateful if you will give us the necessary clearance to establish a new brewery at Ibadan.

  
E. A. Egberdeyi  
General Manager

AS (sc)

Pl. deal with this

MP  
14/1/77

Pl. see P. 35

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27  
287c

OYO STATE INVESTMENT AND CREDIT CORPORATION

ESTABLISHMENT OF NEW BREWERY AT IBADAN

Introduction

When the Oyo State Investment and Credit Corporation was established in July 1976, the limited industrial investment in the State glaringly came to light. Of all the investments in the former Western State, less than 3% is now in Oyo State. In view of this highly limited industrial investments in the State, the Corporation has committed itself to looking into new areas of investment in order to take advantage of opportunities that may arise from time to time. The Corporation appraises new projects critically and objectively to determine their viability and reasonable realisation of profit.

2. As a practical demonstration of its belief in profitable investments, the Oyo State Investment and Credit Corporation in partnership with two other Nigerian Development Banks - The Nigeria Industrial Development Bank and the Nigerian Bank for Commerce and Industries -, indigenous business-men of Oyo State Origin, O'dua Investment Company Limited and technical partners from Western Germany, have all agreed after negotiations and discussions, to establish a brewery project in Ilesha, the home town of the promoters. The Corporation's equity and long-term loan in the project are #1,000,000 and #600,000 respectively. The purchase agreement which was exhaustively discussed by all the prospective shareholders was signed on Friday, 17th December, 1976 at the Corporation's Board Room between the promoters and the technical partners. The project is expected to be completed in twelve months with possible extension to a period not beyond twenty-two months. A similar brewery established in Uyo in the Cross River State was built by the same technical partners and was completed ahead of time.

New Brewery Project

3. Before the Corporation became a Shareholder in International Breweries Limited, the Establishment of a brewery at Ibadan was one of the projects which the Corporation planned to execute before the end of the plan period. In this regard, contact was made with Messrs Kosmos - Export G. M. b.h of Hamburg who have now submitted feasibility study report and quotation.

4. For more than half a century, Messrs Kosmos - Export have been working as consultants for breweries and processing plants for mineral - waters and soft drinks in five continents. Kosmos can offer a full range of services - from planning stage to the completion of the project. Their brewing engineers and economic experts have a decisive advantage. They gained their practical knowledge on valuable experience working on projects for foreign countries particularly in tropical and sub-tropical climates: from Buenos Aires in Argentina to Seoul in Korea, from Lome in Togo to Baghdad in Iraq. Messrs Kosmos have played their part in erecting factories producing 2,000,000 hectolitres per annum and also in setting up smaller plants in Hetauda, Nepal for example which has a capacity of only 15,000 hectolitres per annum. In addition they are in a position to say which types of beer sell best in different parts of the world. This service we are told, has been appreciated by international clients from every continent for more than sixty years. It is to be noted also that they are the Technical partners for the Bendel Brewery which produces Crystal Beer in Benin.

Brand of Beer

5. From preliminary discussions had with representatives of Messrs Kosmos, we have been assured that Becks International has agreed in principle to provide their know-how and a licence to brew Becks Beer in the Brewery. In this regard, a small percentage of Becks Beer would be imported while a bigger percentage, on which royalty would be paid would be produced by the proposed brewery. The advantage of producing becks beer is that becks has been in the Nigerian market for a long time and has been widely accepted. This would greatly reduce advertising costs. The market for it would extend far across the borders of Nigeria to other ECOWAS Countries where Becks beer is already known.

Cost of Project

6. Compared with quotations from other technical partners, Kosmos' quotations are favourable. The cost is estimated at #13,00,000 including cost of initial empty bottles which is put at #3,146.40 Debtors at 3% of Sales, #434.10, and Cash Reserve #121.07. If these items are excluded, then the cost of the project is put at #9,913,000.

27  
287E

7. Since this Corporation is not willing to finance the project alone, invitations are being made to the Ministry of Trade, Industries and Co-operatives, the Nigerian Industrial Development Bank, the Nigerian Bank for Commerce and Industries, and other indigenous industrialists.

Conclusion

8. Because of the existing demand and supply gap, in the beer market, this Corporation believes that Oyo State can still conveniently support a second brewery. It is reliably learnt that almost all the existing Breweries in the Country are either planning or carrying out expansion programmes. Efforts have been made to go into partnership with them but our offer has been turned down. Since our Corporation is established for the promotion of industrial ventures in the State, we feel we should seize the opportunity at first hand to establish the industry in the State Capital where there is a ready market.

ps(sec)

From p 26 notes for

action ple  
7/1

ARCHIVES OF OYO STATE

30  
287F

Y.E.,

Via S.M.G. & H.S.,

Sec. (SC) ~~24~~ 18/1

Pr. Sec. (SC),

I humbly invite Y.E.'s attention to the memorandum on the establishment of a new Brewery Project at Ibadan. The Memorandum can be found at pages 27 - 29 of this file.

2. The main points are as follows:

(a) Introduction

The General Manager of Oyo State Investment and Credit Corporation disclosed that when the Corporation was established in July 1976, the Limited Industrial Investment in the State glaringly came to light. He added that the Oyo State inherited less than 3% of all the Investments in the former Western State. Realizing this, the Corporation committed itself to looking into new areas of investment in order to take advantage of opportunities that <sup>might</sup> arise from time to time. The Oyo State Investment and Credit Corporation appraised new projects critically and objectively to determine their viability and reasonable realisation of profit. It was further disclosed that the Corporation, the N.I.D.B., the Bank for Commerce and Industries, indigenou businessmen of Oyo State origin, Odu'a Investment Holding Company Ltd. and technical partners from Western Germany had all agreed after negotiations and discussions to establish a brewery project in Ilesha, the home town of the promoters. The Project would be completed in twelve months.

(b) New Brewery Project

The General Manager said that before the Corporation became a shareholder in International Breweries Ltd, the establishment of a brewery at Ibadan was one of the projects which the Corporation planned to execute

before the end of the plan period. In this regard, contact was made with Messrs Kosmos who had submitted feasibility study report and quotation. From preliminary discussions the General Manager had with the representatives of Messrs Kosmos, the Corporation had been assured that Becks International had agreed to provide their know-how and a licence to brew Becks Beer in the proposed brewery at Ibadan. In this regard, a small percentage of Becks Beer would be imported while a large percentage would be produced in the Brewery.

(c) Cost of the Project

The General Manager stated that the Project would cost ₦13,000,000 including cost of initial empty bottles, debtors at 3% of Sales and Cash reserve.

(d) Source of Capital

The General Manager indicated that the project would not be financed by the Corporation alone. He added that invitations were being made to Ministry of Trade, Industries and Co-operatives, the N.I.D.B., the Nigerian Bank for Commerce and Industries and other Nigerian Industrialists.

(e) Conclusion

The General Manager concluded that because the demand of Becks beer exceeded its supply, he, therefore believed that the State could conveniently support a second brewery. He also said that the Corporation's efforts to go into partnership with existing Breweries in the Country had proved abortive. The General Manager further disclosed that since the Corporation is established for the promotion of industrial ventures in the state, he felt that the Corporation should seize the opportunity to establish the industry in the state Capital where there is a ready market.

287H 30

3. The Memorandum on the establishment of a new brewery project at Ibadan was forwarded to this office by the General Manager of Oyo State Investment and Credit Corporation under his cover letter at page 26. In the said letter, the General Manager revealed that a feasibility study had been undertaken and necessary provision was being made in the 1977/78 budget. He indicated that several investors and banks would be contacted for possible equity participation. The General Manager has now sought for Your Excellency's clearance to establish a new brewery at Ibadan.

*E. A. Osundiran*  
E. A. Osundiran,  
AS (SC),  
17<sup>th</sup> January, 1977.

4. In view of the popular demand for beer in Nigeria and the fact that demand for beer far outstrips supply, there is no denying the fact that the establishment of a new brewery at Ibadan will be a very profitable venture. I, therefore, wish to recommend for Your Excellency's approval that the I.C.C.O.S. should be allowed to proceed with its plan to establish a new Brewery at Ibadan.

*E. O. Omobowale*  
(E. O. Omobowale),  
Prin. Sec. (SC)

17 Jan. 1977.

5. The memo, good as it is, has left out some vital informations. Paras one and two failed to mention the name of the company until it got to para. 3 where the name of the company in which the I.C.C.O.S. is a partner was named as the International Breweries Ltd. This name could have been clearly mentioned at the appropriate place in para.2.

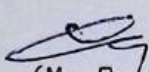
6. The proposal to establish a brewery in Ibadan is welcome, but what is the name of the Organisation? And in what ratio will the project be financed between the I.C.C.O.S., the Ministry of T.I.&

Coopertives, the Nigerian Industrial Development Bank and the Nigerian Bank for Commerce and Industries, and other Indigenous industrialists?

7. In view of the observation above, I recommend that Y.E. should support the proposal to establish a brewery in Ibadan in principle but that

(a) the name of the establishing organisation should be given;

and (b) the ratio of participation by all concerned should be stated.

  
(M. O. Onajide),  
Sec. (S.D.).

18 Jan., 1977.

Sec (SD)

*P1. obtain the information reqd in para 7 above from the G.M., I.C.C. by telephone, and resubmit.*

  
T. A. AKINYELE

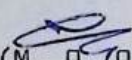
20/1/77

S.M.G. & H.S.,

Reference your minute above, I have just contacted the G.M. on telephone and he told me that in sending in the memo he only wanted a provisional approval to enable him go ahead with the plans. But he however was able to tell me the proposed


34  
2875

X | name of the establishing organisation which he referred to as  
Inter-Continental Breweries (Nigeria) Ltd. and the financial  
participation of I.C.C.O.S. is being proposed at least  $33\frac{1}{3}\%$ .

  
(M. O. Onajide),  
Sec. (S.D.).  
24<sup>th</sup> Jan., 1977.

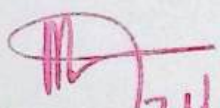
YE  
/

Your Excellency is humbly requested to  
consider the minutes from p. 30 and  
to agree that the Oyo State Investment &  
Credit Corporation should pursue its  
plans to sponsor the establishment  
of a brewery in Ibadan as at X/above please

  
I. A. AKINYELE

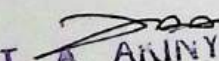
30/1/77


Agreed.

  
30/1/77

Sec (SD)

for f.n. a pl.

  
I. A. AKINYELE  
30/1/77

Impul Sec(SC),  
Please convey  
approval today. Ty.  
  
1/12/77

35  
287K

SP/C.201/T/35

February, 1977

The General Manager,  
Investment and Credit Corporation  
of Oyo State,  
P.M.B. 5085,  
Ibadan.

Establishment of a New Brewery Project  
at Ibadan

P. 26

I am directed to refer to your letter No. I/C.20/48  
of 5th January, 1977 and to inform you that your Corporation  
should pursue its plans to sponsor the establishment of a  
brewery in Ibadan.

(E. O. Omobowale),  
for Secretary to the Military  
Government and Head of Service.



CONFIDENTIAL

AEO(CR)

CR, Please merge with the main file.  
7/2



SP/C 201 288

**OYO STATE INVESTMENT AND CREDIT CORPORATION**  
(A STATUTORY ORGANISATION OF THE OYO STATE GOVERNMENT)

FLOORS 17-19 COCOA HOUSE, PRIVATE MAIL BAG 5085, IBADAN. TEL: 62810 - 2

OUR REF: A.2/128/Vol.3/21

TELEX NO. 31122 A1. CORP. NG.

YOUR REF:

TELEGRAMS/CABLES: OYSICCO IBADAN

7th January, 1977

The Secretary to the Military Government  
and Head of Service,  
Office of the Military Governor,  
Agodi,  
Ibadan.

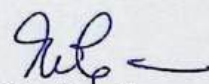
Nigerian Agricultural Bank Limited:  
Loans to old Western State Corporations for Storage Facilities

P276

With reference to your letter No. SP/C.201/276 of 9th December, 1976, two copies of the Loan Agreement between the former Agricultural Credit Corporation, the Government of Western State of Nigeria and the Nigerian Agricultural Bank Limited, are attached.

288-295  
a copy is  
also a.b.c.

2. Action on the inventory of all assets is in progress and details will be forwarded to you as soon as possible.

  
(G. O. Ajani),  
for General Manager.

Secretary (s.c)

Above is hereby referred for n.a. pbe.

7. CR 10/1/77

See P. 309

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O/FO-LE/143

NIGERIAN AGRICULTURAL BANK LIMITED  
P.M.B. 2155, KADUNA



LOAN AGREEMENT

THIS DEED made the 17th day of December, 1971  
between The Western State Agricultural Credit Corporation of P.O. No. 5199, Ibadan, Western State of Nigeria (hereinafter called "the Borrower", which expression, where the context so admits, includes his heirs, executors, administrators and assigns) of the first part and the Government of Western State of Nigeria (hereinafter called "the Guarantors", which expression, where the context so admits, includes his heirs, executors, administrators and assigns) of the second part and the Nigerian Agricultural Bank Limited of 18/19 Ahmadu Bello Way, Private Mail Bag No. 2155, Kaduna (hereinafter called "the Bank", which expression, where the context so admits, includes his heirs, executors, administrators and assigns) of the third part WITNESSETH AND IT IS HEREBY AGREED AND DECLARED as follows:-

1. In consideration of the sum of money not exceeding  
4,368,210 which the Bank this day has agreed to lend to the Borrower for a period of ten years in several disbursement(s) spread over ten years as per the Disbursement Schedule hereto attached with interest thereon at the rate of five per cent per annum from the date of each disbursement the Borrower hereby covenants with the Bank to repay to the Bank all sums due on this account as per the Repayment Schedule hereto attached.
2. If the said sum or any part thereof or any accrued interest shall not be so paid or the Borrower or the Guarantors or both of them shall make any arrangement with his/their creditors or go into liquidation or become bankrupt then the whole of the said sum or any part thereof or any accrued interest as shall for the time being remain unpaid shall thereupon immediately become due and payable with interest

thereon at the rate aforesaid to the date of actual payment thereof.

- 3. This loan shall be made in cash and/or kind at the discretion of the Bank.
- 4. The Borrower shall apply the loan hereby granted to the following purpose(s) ONLY: for on-lending to farmers in the Western State  
for (a) cultivation of maize (b) provision of storage facilities  
for maize (c) cultivation of rice (d) provision of storage  
facilities for rice, and (e) cultivation of cassava.

5. The Bank shall allow the Borrower a Grace Period of fifteen  
months for storage facilities only.

6. The Borrower shall forward Progress Reports on the project every quarter beginning from January 1975

7. The Borrower shall keep proper account books which shall always be available to the Bank for inspection.

8. The Bank shall at all times be free to dispose of its loans.

9. In the event of discontinuance of this loan or in any action for recovery a copy of the account of the Borrower contained in the Bank's book of account certified by a Manager or Acting Manager of the Bank shall be <sup>prima facie</sup> conclusive evidence against the Borrower of the amount for the time being due to the Bank from the Borrower.

10. Any demand or notice given under the provisions of this Deed may be delivered personally to the person on or to whom the same is to be served or given or may be left at his above mentioned or other last known address or may be posted in a Registered letter addressed to him at such address and in such event shall be deemed to have been received seven days following the date of posting.

11. The Bank shall not be obliged to claim payment from the Borrower before resorting to the Guarantors or either of them and time given by the Bank to the Borrower to pay

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any instalment of principal or any interest or other sum payable hereunder or any other indulgence granted by the Bank to the Borrower or either of the Guarantors shall not affect or release the Guarantors or either or any of them.

12. Interpretation:

Where in this loan agreement the Borrower is more than one party the liability of each of them hereunder to the Bank shall be joint and several and every agreement and undertaking on their part shall be construed accordingly. Where in this loan agreement the Guarantor is more than one party the liability of each of them hereunder to the Bank shall be joint and several and every agreement and undertaking on their part shall be construed accordingly. Throughout this agreement whenever the context so requires or admits the singular shall include the plural and vice versa, the masculine includes the feminine and vice versa. Loan period is the period from the date of first disbursement to the scheduled date of repayment of the final instalment on the loan account.

Grace period is the period the Bank allows the Borrower to pay INTEREST ONLY without repaying PRINCIPAL.

IN WITNESS whereof the said parties have hereunto set their respective hands and seals the day and year first above written.

Signed, sealed and delivered by the said Western State Agricultural Credit Corporation in the presence of \_\_\_\_\_

[Signature] Chief Adenlekeun L.S.  
[Signature] Chief Olatu  
[Signature] (General Manager)

Signed, sealed and delivered by the said [Signature] Dr. Adenlekeun Agerebi - Comm. for Finance L.S.  
in the presence of [Signature] for the Government of the State  
[Signature] (Secretary of Finance)

Signed, sealed and delivered by the said NIGERIAN AGRICULTURAL BANK LTD. L.S.  
in the presence of [Signature]

Signed, sealed and delivered by the said \_\_\_\_\_ L.S.  
in the presence of \_\_\_\_\_

SCHEDULE I  
DISBURSEMENT

Disbursement	Date	Particulars	Amount (#)	Remarks
First	January 1975	Land Development Labour Materials Operating Expenses	#202,000 36,000 5,860 41,860	This schedule serves as a guide. The Bank, after consultation with the Borrower, is free to vary the provisions herein contained.  2. <u>Disbursement Conditions:</u> a. Disbursement for seeds fertilizers, insecticides and fungicides will be made when evidence of issue has been shown - in this case Store Issue Vouchers. b. Full payment of labour requirements will be subject to certification. NAB will provide a working capital for 50% of the total Labour requirement as stated in the Feasibility Study.
Second	February 1975	Mechanisation	20,000	
Third	March 1975	Labour Materials Silos Warehouses	#137,000 179,000 211,000 94,000	
Fourth	June 1975	Labour Purchases Warehouses Others Handling Chemicals	#104,000 240,000 12,000 26,000 40,000 1,000	
Fifth	July 1975	Labour Silos Land Development Others	# 33,000 28,000 608,000 47,000	
			716,000	

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SCHEDULE I (Cont'd.)  
DISBURSEMENT

Disbursement	Date	Particulars	Amount (N)	Remarks	
Sixth	August 1975	Handling Chemicals Purchases	#113,000 26,000 525,000	664,000	<p>e. NAB will disburse 25% of the land development expenses (N202,425). The remaining 75% (N607,275) will be paid subject to evidence of actual land development emanating from a Sample Survey to be carried out later.</p> <p>d. Advance payments for mechanisation (tractor, ploughing, harrowing and ridging) will be 10% of the total Estimate (N200,000). Further payments will be subject to certification of jobs done.</p> <p>e. Disbursement for construction of the silos and warehouses and acquisition of shellers, dryers and weighing scales will be made after the decision of the Tenders Board.</p> <p>f. The disbursement of operational loans becomes repetitive as from 1976 onwards to 1984, conditional on previous satisfactory performance and subsequent NAB Board approvals.</p>
Seventh	September 1975	Transport Silos Warehouses	# 10,000 66,000 30,000		
Eighth	October 1975	Labour	71,000	71,000	
Ninth	November 1975	Handling Chemicals Purchases	#201,000 7,000 804,000	1,012,000	
Tenth	December 1975	Silos Warehouses	# 70,000 31,000	101,000	
Others: See under "Remarks"		<p><i>[Handwritten signatures and initials]</i></p>			

NIGERIAN AGRICULTURAL BANK LTD. This Schedule is to be signed by all signatories

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SCHEDULE II  
REPAYMENT

Repayment (Instalment)	Date	Amount (₦)			Remarks
		Principal	Interest	Total	
First	Dec. 1975	Amount disbursed plus interest thereon for production of maize and rice; approximately 10% of the amount disbursed for land development.			<p>1. Full repayment of the production Loan for maize and rice will be in December 1975 and for Cassava in December 1976. Loans for operating expenses for the maize and rice storage will be repaid in July 1976.</p> <p>2. Repayments depend on the amounts actually disbursed.</p> <p>This schedule serves as a guide. The Borrower's Liability hereunder is for actual off-take, and is in addition to his liability for all fees, charges and other costs incident to this loan.</p> <p><i>[Handwritten Signature]</i> A. C. <i>[Handwritten Signature]</i></p>
Second	June 1976	Loans for operating expenses plus interest for rice and maize storage.			
Third	Dec. 1976	Production Loan plus Interest thereon for cassava approximately 10% of the amount disbursed plus Interest for Land Development and Storage facilities.			
Fourth	Dec. 1977 - Dec. 1984	Approximately 10% of the amount disbursed plus Interest for Land Development and Storage facilities.			

NIGERIAN AGRICULTURAL BANK LTD.

This Schedule is to be signed by all signatories

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SCHEDULE III - SECURITIES OFFERED

Type	Description	Value (N)	Remarks
Guarantee	<p>Guarantee by the Government of the Western State of Nigeria. Reference guarantee dated and signed by the Hon. Commissioner for Finance, Western State of Nigeria, for and on behalf of the Government of the Western State of Nigeria.</p> <p><i>[Handwritten signature]</i>  <i>[Handwritten signature]</i></p>	Principal plus Interest	

NIGERIAN AGRICULTURAL BANK LTD.

This Schedule is to be signed by all signatories

*[Handwritten signature]*



ARCHIVED AT OYSSCAC

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Solicitor-General and  
Permanent Secretary,

Please refer to pp.264-9 and pp.273-5 in this file on the need to review the loan agreement between the Nigerian Agricultural Bank Limited and the old Western State Agricultural Corporation and Western State Agric. Credit Corporation. The agreement was for loans granted for cultivation and storage facilities and they were guaranteed by the then government of Western State. Now that Oyo State has been created, its Corporations replicated (and the Western State Agric. Corporation and Western State Agric. Credit Corporation have now been merged to become Oyo State Investment and Credit Corporation) it has become inevitable;

- (a) to review the loan agreement to reflect the new legal status of both the State and the Corporation concerned;
- and (b) to share out the physical projects either on the ground of their locations or on an agreed ratio of 44: 31: 25 adopted in sharing the assets and liabilities of the old Western State among the newly created Oyo, Ondo and Ogun States respectively.

A copy of the original agreement entered into by all parties is a.b.c. and at pp.289-95.

2. In view of the above, it will be appreciated if you will be good enough to give this office the benefit of your legal advice to be able to resolve the legal issues involved in the best interest of all the parties concerned. I shall therefore be looking forward to your earliest reply as the matter is of some considerable urgency in view of the importance attached to agriculture as evidenced in the current O.F.N. Programme.

(M. O. Onajide),  
Sec. (SD),  
for S.M.G. & H.S.

11<sup>th</sup> January, 1977.

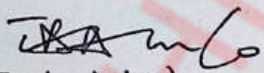
297  
S.M.G.&H.S.,

Please refer to your minute at page 296 in which a request to review the loan agreement between the Western State Agricultural Corporation and the other parties named therein at pages 289 - 295 has been made.

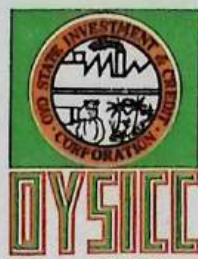
2. It appears that this cannot be done at this stage in view of the fact that:

- (i) the Oyo State Investment and Credit Corporation does not succeed the former Western State Agricultural Corporation so that the assets and liabilities can be said to vest in the new Corporation;
- (ii) neither is the Oyo State Government a successor to the former Western State Government which guaranteed the loan.

Thus, if and when the accounts of the former Western State Agricultural Credit Corporation is finalised and a decision taken by the Government as to the sharing of the assets and liabilities of the former Corporation, then this Ministry can properly consider the review of the loan agreement with the Nigerian Agricultural Bank Limited. Furthermore, it may even be better to await the promulgation of the Federal Decree which we are expecting would vest the assets and liabilities of the former Western State in the new states created thereout. There after, a review of the loan agreement can be considered.

  
(T. A. Ariyo)  
C. L. D.,  
for Solicitor-General.

2<sup>nd</sup> February, 1977.



5+  
S/C 201  
297A

# OYO STATE INVESTMENT AND CREDIT CORPORATION

(A STATUTORY ORGANISATION OF THE OYO STATE GOVERNMENT)

FLOORS 17-19 COCOA HOUSE, PRIVATE MAIL BAG 5085, IBADAN. TEL: 62810 - 2

OUR REF: A/C.41/185

TELEX NO. 31122 A1. CORP. NG.

YOUR REF:

TELEGRAMS/CABLES: OYSICCO IBADAN

12th January, 19 77

Secretary to the Military Government  
and Head of Service,  
Office of the Military Governor,  
Agodi,  
Ibadan.



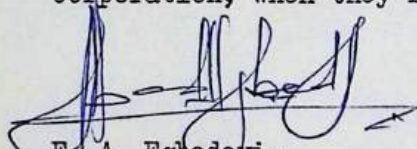
## Upper Ogun Cattle Ranch

Not Attached

A letter reference No. EC.249/221 dated 17th December, 1976 (Copy attached) addressed to you was endorsed to this office for information and consideration. It is the view of this Corporation that the Upper Ogun Cattle Ranch should not at this stage pass from a Corporation back to the Ministry before finally passing on to the Western Livestock Company. It is to be recalled that this Corporation and its predecessors have managed Upper Ogun Cattle Ranch successfully for several years thus resulting in the only one ranch in West Africa where there is the largest concentration of valuable Ndama cattle at present. In other words, the staff of the Corporation are highly knowledgeable about the management of the animals. It is to be realised that the Corporation is profit oriented and the staff at Upper Ogun have been trained along these lines. The Ministry cannot be said to be equally profit oriented. It is therefore our belief that the ranch should remain in the management of this Corporation. In order to manage the project, a budget has been specially prepared for Upper Ogun (copies attached herewith). If this budget is approved as it stands and the sum of only ₦134850.00 (vide page 7) is made available, the ranch will be improved and the animals will have a chance of continued enjoyment of very good facilities to which they are used.

It is to be realised that whatever money the Ministry of Agriculture and Natural Resources will spend on this project would come from public funds. If that money is therefore made available to this Corporation it is believed that maximum benefit would be derived from it in view of the aforementioned reasons. The Corporation is currently running the scheme but major urgent Capital Development cannot be undertaken for financial reasons hence our request for special sale of animals to meet the Capital and other expenses.

In conclusion, it is the belief of this Corporation that it will be a retrograde decision if this valuable ranch is allowed to pass to the Ministry before being transferred to the Western Livestock Company. It is therefore strongly recommended that the Ranch should continue to be looked after by this Corporation, that the budget prepared be approved and a special release of ₦135,000 be made for immediate Capital Development. The Western Livestock Company will be expected to repay this money along with any other funds that may be expended by the Corporation, when they finally take over the Ranch.

  
E. A. Egbadevi,  
General Manager.

Pm See (SC)

f. n. a. p. l. a. e.

7CR 13/1/76 Above quibtd

2172  
6

CONFIDENTIAL

OYO STATE INVESTMENT AND CREDIT CORPORATION

UPPER OGUN ESTATE (LIVESTOCK)

PROPOSED BUDGET (JULY, 1976 - MARCH 1977)

REVENUE, RECURRENT EXPENDITURE AND CAPITAL EXPENDITURE

ARCHIVES OF OYO SCAC

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7

OYO STATE INVESTMENT AND CREDIT CORPORATION  
PROPOSED BUDGET 1976/77  
UPPER OGUN ESTATE (LIVESTOCK)

C O N T E N T S

Summary of Personal Emoluments and other charges	2
Summary of Revenue Budget	2
Personal Emoluments	3
Other Charges	4
Capital Expenditure	6

ARCHIVES OF OYSCAC

1257  
8

OYO STATE INVESTMENT AND CREDIT CORPORATION  
UPPER OGUN ESTATE  
PROPOSED BUDGET 1976/77 JULY - MARCH (9 MONTHS)  
SUMMARY OF RECURRENT EXPENDITURE

<u>Code No.</u>	<u>P a r t i c u l a r s</u>	<u>Proposed Budget 1976/77</u>	<u>Approved Budget 1975/76</u>
		N	N
(a)	<u>PERSONAL EMOLUMENTS :-</u>	<u>45,480</u>	<u>47,770</u>
(b)	<u>OTHER CHARGES :-</u>		
65	Upkeep of animals and Pasture	30,870	53,750
80	Estate Charges - Operations	700	800
82	Estate Maintenance and Repairs	9,600	9,860
84	Estate Administration	<u>19,450</u>	<u>21,520</u>
	Sub - Total (b)	= <u>N60,620</u>	= <u>N85,930</u>
	Total ( a + b)	= <u><u>N106,100</u></u>	= <u><u>N133,630</u></u>

R E V E N U E

200 Heifers 2 - 4 years at 440 each	88,000	55,580
25 Culled and Aged Cows at N165 each	4,130	26,330
25 Breeding Bulls at N550 each	13,750	7,800
170 Steers 2 - 3 years at N165 each	28,050	52,660
Miscellaneous - Ropes etc.	450	100
Transport Charges	750	600
Staff Rent	<u>150</u>	<u>200</u>
	<u><u>N135,280</u></u>	<u><u>N143,270</u></u>

S U M M A R Y

Revenue	N135,280	143,270
Less Operational Cost	<u>106,100</u>	<u>133,630</u>
Budget Surplus	<u><u>N29,180</u></u>	<u><u>9,640</u></u>

297459

OYO STATE INVESTMENT AND CREDIT CORPORATION  
UPPER OGUN ESTATE (LIVESTOCK)  
PERSONAL EMOLUMENTS

<u>Sub-Head</u>	<u>Proposed Establishment</u>	<u>Details of Establishment</u>	<u>Grade Level</u>	<u>Amount</u>
1.1	1	Principal Livestock Officer	12	5,340
1.2	1	Livestock Officer Grade I or II	09/08	3,400
1.3	4	Livestock Superintendents	07	7,860
1.4	4	Livestock Assistants	06	6,030
1.5	1	Assistant Executive Officer (Accts.)	06	1,510
1.6	1	Clerical Officer (Accts.)	04	880
1.7	1	Clerical Officer/Tinkeeper	04	880
1.8	1	Typist Grade II or III	03	710
1.9	1	Dispensary Attendant	02	630
1.10	1	Messenger	02	630
	<u>16</u>	Sub - Total (a)		<u><u>27,870</u></u>
<u>Maintenance Section</u>				
2.1	1	Technical Officer (Mechanical)	07	1,880
2.2	2	Artisans (Mechanics) Grades II and III	03	1,410
2.3	2	Artisans (Carpenter)	03	1,410
2.4	4	Motor Drivers/Mechanic Grades I and II or Motor Drivers	04/03	3,510
2.5	7	Tractor Drivers or Tractor Driver/ Mechanics Grade I and II	03/04	5,970
2.6	1	Store-Keeper	04	910
2.7	4	Securitymen	02	2,520
	<u>21</u>	Sub - Total (b)		<u><u>17,610</u></u>
	<u>37</u>	Total (a and b)		<u><u>45,480</u></u>

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OYO STATE INVESTMENT AND CREDIT CORPORATION

- UPPER OGUN ESTATE

PROPOSED BUDGET 1976/77 (9 MONTHS JULY - MARCH)

CODE 65: UPKEEP OF ANIMALS & PASTURE

Code No.	Operations	Labour ₦	Materials ₦	Total ₦	Approved Budget 1975/76 ₦
65	<u>UPKEEP OF ESTABLISHED PASTURE</u>				
652	Fencing	600	400	1,000	1,400
655	Pasture Improvement	9,660	-	9,660	11,725
656/57	Fertilising & Manuring	400	1,100	1,500	1,650
658/9	Weeding & Mowing	1,575	-	1,575	1,800
	Sub-Total (i)	<u>12,235</u>	<u>1,500</u>	<u>13,735</u>	<u>16,575</u>
66	<u>LIVESTOCK-UPKEEP/MARKETING</u>				
661	Pest & Disease Control		3,150	3,150	1,200
663	Herdsmen & Herdsboys	10,000	-	10,000	14,467
665	Water Supply	315	525	840	1,050
666	Boundary Upkeep	800	-	800	1,050
667	Marketing & Distribution	320	-	320	650
678	Other Farm Purchase (Rope)	-	500	500	-
668M	Hand Tools for use in Field	-	200	200	-
669M	Materials for cattle upkeep Salt Licks	-	1,320	1,320	600
	Sub-Total (ii)	<u>11,435</u>	<u>5,695</u>	<u>17,130</u>	<u>19,017</u>
	Grand Total	<u>23,670</u>	<u>7,195</u>	<u>30,865</u>	<u>35,592</u>
<u>Codes</u>	<u>DETAILS</u>				
652	Maintenance of 30 night paddocks at ₦30 per paddock:				
	Materials: = ₦800				2,160
	Labour: 618 mandays at average of ₦2.20	1,360			
655	Clearing of regrowth on improved land:				
	200 hectares at 23.00 manday/hectare at ₦2.10 per manday				9,660
656/57	Superphosphate - 0.30 tonne/hectare by 102 hectares tonne at ₦121.5 tonne				23.60
	Materials: 2,870)				
	Labour: 200 M/days at ₦2.10 per M/days	420			3,290
658/59	Eradication of obnoxious weeds (acanthosperunum Hispidum sida) from improved pasture 150 hectare at 5 mandays per hectare at ₦2.10 manday.				1,575
661	Inoculation of 4,000 head of cattle at 5k per head =				200
	Cost of drugs for 4,000 animals at ₦1 each 4,000				4,200
665	Water Supply fuel lubricants: ₦525)				
	Labour: 250 mandays at ₦2.10/M/days	315			840
666	48 kilometres of fire traces at 27.30 per k.m/d at ₦2.10				1,310.40
667	Slaughtering and Marketing (150 mandays at ₦2.10)				420
669M	1/4 cost of salt licks for 4,000 cattle at ₦2.10 per block/5 animal				1,320.00

OYO STATE INVESTMENT AND CREDIT CORPORATIONUPPER OGUN ESTATEPROPOSED BUDGET 1976/77 (9 MONTHS JULY - MARCH)

Code No.	Operations	Labour	Others	Total	Approved Budget 1975/76
		₦	₦	₦	₦
<u>CODE 80: ESTATE CHARGES - OPERATIONS</u>					
801	Outside Hire Transport	-	100	100	100
802	Store Handling	200	-	200	20
803	Maintenance of Electric Generating Set	170	230	400	680
	<b>TOTAL CODE 80:</b>	<u>₦370</u>	<u>₦330</u>	<u>₦700</u>	<u>₦800</u>
<u>CODE 82: MAINTENANCE &amp; REPAIRS</u>					
821	Residential Structures	200	200	400	540
826	Estate Layout, Roads & Bridges	100	100	200	180
827	Plant, Machinery & Implements	-	9,000	9,000	9,000
	<b>Total Code 82</b>	<u>₦300</u>	<u>9,300</u>	<u>9,600</u>	<u>9,720</u>
<u>CODE 84: ESTATE ADMINISTRATION</u>					
1.	Insurance of Machinery Vehicles			2,000	2,000
2.	Licensing of Vehicles			500	500
3.	Welfare			100	100
4.	Travelling & Other Allowance			5,000	5,350
5.	Watchmen/Security			2,000	2,340
6.	Sick Pay			480	530
7.	Sanitation			190	160
8.	Bank Charges/Commission			225	300
9.	Stationery & Office General Expenses			100	300
10.	Postage & Telegrams			38	50
11.	Annual Rent & Rates			5,200	5,200
12.	Leave Pay			983	1,090
13.	Holiday Pay			1,508	1,670
14.	Termination & Retirement Benefits			1,120	1,480
	<b>Total</b>			<u>₦19,444</u>	<u>₦21,520</u>

OYO STATE INVESTMENT AND CREDIT CORPORATIONUPPER OGUN ESTATECAPITAL EXPENDITUREEXPLANATORY NOTES

Although it is expected that this project is to be taken over by the Nigerian Livestock Company, capital expenditure will have to be undertaken by the Corporation to sustain the animals pending final decision. All items of expenditure on the cattle are being separately kept from that of cashew for the purpose of asking for a re-inbursement when the Company takes over.

A total of ₦134,870 is being proposed for this project. The bulk of this expenditure is earmarked for:-

- (a) the purchase of one bedford lorry (₦12,000) which is urgently needed for evacuation of steers from the Estate to marketing centres. Three new MF165 tractors are also expected to be bought during the period to replace those that have completely broken down beyond repairs. Only one tractor is in use as at present and it is already overdue for boarding. The three tractors would be required for ploughing for pasture improvement against the dry season.
- (b) obtaining two water pumps and engines estimated to cost ₦18,000 (estimate submitted by the Oyo State Water Corporation). Expenditure is justified by the fact that water supply to the herds is compulsory during the dry season to obviate our last year's bitter experience when many animals were lost by death due to lack of adequate water supply.
- (c) the electrification of the Assistant Livestock Officers house which will cost about ₦3,000.
- (d) for the development of new pastures and the improvement of the existing ones to provide adequate dry season grazing. This would cost a total of ₦44,500.00k.
- (e) the construction of two watering dams at ₦8,000. Contracting firms have been invited to produce quotations.

OYO STATE INVESTMENT & CREDIT CORPORATION  
HEAD 406 - UPPER OGUN ES STATE

PROPOSED BUDGET 1976/77

SUMMARY OF CAPITAL EXPENDITURE

<u>Code No.</u>	<u>P a r t i c u l a r s</u>	<u>Proposed 1976/77</u>
44	Plant, Machinery and Implements	36,720
46	Estate Layout, Roads & Bridges	1,130
48	Transport Vehicles	44,000
13	Nurseries	530
22	New Clearing for Range-Land	44,490
67M	Two Watering Dams	<u>8,000</u>
	T o t a l	134,870 =====

ARCHIVES OF OYSCAC

OYO STATE INVESTMENT AND CREDIT CORPORATION

HEAD 406 - UPPER OGUN ESTATE  
PROPOSED BUDGET 1976/77

Code No.	Operations	Proposed Budget 1976/77		
		Labour	Material	Total
		₦	₦	₦
44	* <u>PLANT, MACHINERY &amp; IMPLEMENTS</u>			
441	Plant for main Water Supply	750	17,250	18,000
443	Plant for Electricity Supply	-	3,000	3,000
446	* Agricultural Implements	-	15,720	15,720
	Total Code 44	750	35,970	36,720
46	<u>ESTATE LAYOUT ROADS &amp; BRIDGES</u>			
4621	Roads - Internal	-	-	-
463	Bridges	530	600	1,130
	Total Code 46	530	600	1,130
48	<u>TRANSPORT VEHICLE</u>			
481	Lorry (7 ton) Bedford	-	12,000	12,000
484	Tractors four MF 165	-	32,000	32,000
	Total Code 48	-	44,000	44,000
	* <u>CODE 446</u>			
	2 Fertiliser Spreaders		2,000)	
	2 Giant Star Grease Planters		2,000)	
	2 Slashers		2,400)	
	4 - 3 Furrow Disc Plough		3,320)	
	2 Tree Extractors		6,000)	15,720
	CODE: 441 2 Water Pump and 2 engines & contingencies		18,000	18,000
	CODE: 443 One generating set and wiring of Asst. Livestock Officer's quarter and office		3,000	3,000

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UPPER OGUN ESTATE

CAPITAL EXPENDITURE - PLANTATION DEVELOPMENT

Code No.	Operations	PROPOSED BUDGET 1976/77		
		LABOUR ₦	MATERIALS ₦	TOTAL ₦
13.	<u>NURSERIES:</u>			
	Upkeep of growing Teak	-	-	-
	Seedlings along boundry fence	530	-	530
	T o t a l	<u>530</u>	<u>-</u>	<u>530</u>
22	<u>NEW CLEARING FOR RANGELAND</u>			
224	Heaping & Burning Stumping (200 Heactares)	32,000	-	32,000
225	Cultivation	-	-	-
226	Fencing - Cost of barbed Wire & Teak Poles for night paddocks	840	5,350	6,190
231/2	Weeding and Mowing	-	-	-
234	Pasture Establishment (200 Hectares)	6,300	-	6,300
	T o t a l	<u>39,140</u>	<u>5,350</u>	<u>44,490</u>
	<u>PLANTATION DEVELOPMENT</u>			
67M	Purchase of <sup>H</sup> orse	-	-	-
674M	2 Watering Dams	-	8,000	8,000
	T o t a l	<u>=</u>	<u>8,000</u>	<u>8,000</u>
Code 13	Nurseries - 252 mandays at ₦2.10/M/D		₦ 530	
Code 224	<u>Heaping &amp; Burning, Stumping</u> 15,238 mandays at ₦2.10/manday		31,998	
Code 226	<u>Fencing</u> - Cost of barbed wire and Teak poles for night paddocks		5,350	
	400 mandays at ₦2.10/Manday		840	
Code 234	<u>Pasture Establishment</u> 3,000 nanday at ₦2.10/manday		6,300	

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16

Points to be discussed with Secretary to the  
Military Government

- ✓ 1. Upper Ogun
- ✓ 2. Ibadan proposed brewery
3. Priority Projects for the State
  - (i) Oil Palm Plantation
  - (ii) Cattle Ranch
  - (iii) Citrus & Fruits Plantation
  - (iv) 2 Breweries
  - (v) Tractor Hiring & Servicing Company
  - (vi) Brick Factory

Executive Council's decision and our objective, intention to bring to the notice of Government that they should back these as a matter of principle.

4. Adedayo's case - just a reminder
5. Salary Structure for the Corporation - Background and proposed action
6. Any other matters

6\*\* Gazette publication of law establishing the Corporation.

Sec (sc)

The G. N. Investment Corp. came to discuss the above items with me this afternoon. In particular I would like you to accelerate action on Nos 1 & 2 above about which the Corp has sent in letters to this Office.

T. A. AKINYELE

18/1/77.

Sec (sc)

The main file is in the m. S-A & P S

18/1/77

Princed Sec (SC),

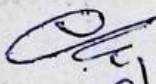
Phase <sup>see</sup> 2 overleaf p. 1. I suppose we dealt with item (2) very recently. I remember sending up the file for yesterday when I added a para. or two to yours.

2. No 05. I think we discussed a letter from PS MANI on this issue & I can't remember offhead now what action we decided to take, but I am sure we discussed it. So, check up and let us finalise action on it if we have not already done so,

3. No 4, - I remember sending a reminder or two. Perhaps it is time we take the matter up with Shettis, Ogun State.

4. No 6 - I remember went to Ido and passed. It is now a question of time to see it through. Just last weekend I sent in some amendments proposed by the Commissioner for Inoc & E.D. to Sh. Ministry of Justice for further necessary action.

5. The others we can take in hand as we get along - I hope.

  
19/1/77

S.M.G. & H.S.

Via Sec. (SD), <sup>21</sup>1)

Following the directive given vide your minute at the foot of page 1, the comments of the P.S., M.A.N.R. were called for on the issues raised in the letter at page 1 in which the GM, I.C.C.O.S. stated inter alia, that the Board of his Corporation had decided to sell some of the animals at the Upper Ogun Cattle Ranch in order to obtain funds for running the ranch pending the time it would be taken over by the Western Livestock Company. The letter in which the comments of the PS were called for can be found at page 2 of this file. I should mention that the observation made in your minute at page 1 was also communicated to the P.S., M.A.N.R. vide paragraph 2 of our letter at page 2 wherein it was indicated that the intention of the GM, I.C.C.O.S. to sell some of the animals at the Upper Ogun Ranch would not appear to be proper having regard to the fact that the animals formed part of the assets to be taken over on value as part of the shares of all the States concerned in the Company.

2. The Permanent Secretary, Ministry of Agriculture and Natural Resources has now forwarded his comments vide the letter at page 3 in which he disclosed that the GM, I.C.C.O.S. had brought to his notice, earlier, his Corporation's difficulties in raising funds, other than by selling cattle, for urgent capital development. He claimed that he subsequently addressed a letter to the GM, I.C.C.O.S. advising him that Oyo State Government could not unilaterally authorise the sale of cattle from Upper Ogun. Shortly after, he (the PS, MANR) held a meeting with the Permanent Secretaries to the Ministry of Agriculture and Natural Resources of Ondo and Ogun States on the subject and it was agreed that any number of cattle that the Upper Ogun Ranch might be willing to sell should be purchased by the three State Governments on the agreed ratio of 44 : 31 : 25 to Oyo,

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Ondo and Ogun State Governments respectively. The PS, MANR had since had a rethinking on the matter after learning of the Federal Government's failure to obtain Ndama cattle from Mali, Niger and other West Africa States after protracted negotiation. He disclosed that inavailability of Ndama cattle had been identified as a major constraint in the implementation of the World Bank - financed Livestock Project in Nigeria. He, therefore, felt that the sale of cattle from the Upper Ogun Ranch would be regarded by the World Bank as an act of sabotage and as a result he decided to ask the I.C.C.O.S. to hand-over the Upper Ogun Ranch to his Ministry which would have no financial difficulty in maintaining the animals before the Western Livestock Company takes off.

3. The reaction of the I.C.C.O.S. to the suggestion of the PS, MANR to the effect that the Ranch should be handed over to his Ministry can be found in the letter at page 5 in which the GM, I.C.C.O.S. stated that :-

- (i) the Upper Ogun Cattle Ranch should not at this stage pass from a Corporation back to the Ministry before finally passing on to the Western Livestock Company;
- (ii) his Corporation and its predecessors had managed the Upper Ogun Cattle Ranch successfully for several years and nurtured it into a Ranch having the largest concentration of Ndama cattle in West Africa;
- (iii) his Corporation "is profit oriented and the staff at Upper Ogun have been trained along these lines" whereas the Ministry could not be said to be equally profit oriented;
- (iv) the budget at pages 6 - 15 had been specially prepared for Upper Ogun and that if the budget could be approved in order to pave the way for the granting of a total sum of ₦134,870.00 (see details

at page 13) to the Corporation, the ranch would have a chance of continued enjoyment of very good facilities to which they were used;

- (v) the Corporation had been taking care of the Ranch but it could not effect any major capital development in the Ranch hence the request made for the sale of animals to meet the capital and other expenses of the ranch;
- (vi) it would be a retrograde decision if the Ranch should be passed over to the Ministry of Agric. and Natural Resources;
- (vii) the budget prepared for the Corporation should be approved and that a sum of ₦135,000 should be made available for immediate capital development;
- (viii) the Western Livestock Company would have to repay the sum of ₦135,000 along with other funds that might have been spent on the Ranch when it is finally taken over.

4. One should not mince words in rejecting the suggested solution of the I.C.C.O.S. to the effect that some animals at the Ranch should be sold in order to obtain funds for running the Ranch. It should have occurred to the I.C.C.O.S. that the animals could not be sold without the consent of the other two States in view of the fact that the Ranch belongs to the three States. I should also mention that I find it difficult to support the recommendation of the PS, MANR to the effect that the Ranch should be handed over to his Ministry pending the time it would be taken over by the Livestock Company. By offering that suggestion, the Ministry of Agriculture is merely trying to bite more than what it can really chew. It is on record that the Min. of Agric. and Natural Resources had been reputed to be a Ministry whose essential services are run at a loss in contradistinction to what obtains in the private sector where

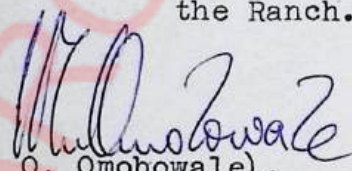
huge profits are realised every year from the same kind of ventures that are run at a loss or with very negligible profit by the Ministry of Agriculture and Natural Resources. I should confess that I have no facts and figures at my disposal that could confirm the authenticity or otherwise of the inefficiency or profligacy of the Ministry of Agric. and Natural Resources but this notwithstanding, I still have the strong conviction that the Ministry of Agriculture will not be able to run the Ranch effectively because it has been saddled with many problems than it can competently and successfully grapple with and to add more to the problems by taking on the additional responsibility of taking care of the Ranch will not only impair further the efficiency of the Ministry, it would also spell disaster for the Ranch. I have the feeling that the I.C.C.O.S. is in a better position to take good care of the Ranch if it can be given adequate funds for running it.

5. It seems as if it has been taken for granted that any money expended on the Ranch would be refunded by the Livestock Company when it takes over the Ranch. If there is no written accord by the three States to this effect, steps should be taken to elicit an assurance from the three States that any money expended on the Ranch by any organ or Agency of the Oyo State Government would be refunded either by the three States or the Livestock Company. As the Ranch belongs to the three States, the I.C.C.O.S. should make it a point of duty to forward monthly returns of the expenses being incurred on the Ranch to the three States for information and record purposes.

6. In the light of the foregoing remarks, I wish to recommend for approval that :-

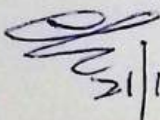
- (i) the I.C.C.O.S. should be allowed to continue running the Ranch;
- (ii) the I.C.C.O.S. should be asked to whittle down considerably the capital budget prepared for the Ranch;

- (iii) the revised capital budget should be submitted to this Office for consideration soonest;
- (iv) the GM, I.C.C.O.S. should be informed that on no account should any of the animals at the Ranch be sold;
- (v) the GM, I.C.C.O.S. should forward to this Office soonest statement of account about the amount of money it has spent so far, for running the Ranch;
- (vi) the GM, I.C.C.O.S. should be asked to render monthly returns to the three States regarding the amount being expended monthly for running the Ranch; all the three States should also be furnished with facts and figures about the amount of money spent, so far, by the I.C.C.O.S. for maintaining the Ranch;
- (vii) the PS, MANR should be informed that his Ministry would not be allowed to take over the Ranch and that he should hold a meeting with his counterparts in Ondo and Ogun States so that they can be informed (if this had not been done in the past) that all the amount of money being spent on the running of the ranch by the I.C.C.O.S. or that would be spent by any organ of the Oyo State Government that may subsequently be called upon to lend a helping hand in running the Ranch would be refunded by the three States or the Livestock Company when it takes over the Ranch.

  
(E. O. Omobowale),  
Prin. Sec. (SC)

20 Jan. 1977.

7. The proposals in para 6 are recommended for your kind approval.

  
21/1/77

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297R

US(SIC)

Please see the papers herein and kindly let me know if there was an SIC decision as to the financing of the Upper Ogun Ranch pending the formal take-over by the Livestock Co.


~~T. A. ...~~

26/1/77

S.M.G.&.H.S.,

Your minute above please.

2. There is nothing on record to show that the S.I.C. made provision for the financing of Upper Ogun Cattle Ranch in the transitional period before the formal take-over by the Western Livestock Co. The S.I.C. merely approved that the Company should continue to execute the project on behalf of the three States of Oyo, Ondo and Ogun please (kindly see Memo. No.S.I.C.(76)98 and the record of the S.I.C. decision thereon which I respectfully place a.b.c.).

  
(S.O. Oladapo),  
U.S. (S.I.C.),

1st February, 1977

Sec(SC) / From p. 3.

- 2. Pl. arrange an urgent meeting under your chairmanship at which reps. of the NANK, the Livestock Co and the OYSICC will be presented to plan a joint action to tide the project over the problems of a transitional period currently facing it such that funds which should be identifiable in separate records could be provided for the project pending the real assumption of responsibility by the Livestock Co. The main objective should be that the project should survive this teething period.
- 2. Kindly report back within 2 wks.

J. A. AKINYELE  
9/12/77

PS(SC) Above fr. kindly convene a meeting for ~~Friday~~ <sup>Thursday</sup> 17th Feb. 1977 at 10am. with the representatives of NANK, the Livestock Co and OYSICC accordingly. You can discuss further if necessary. Ty.

2877  
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SP/C.201/T/25

10 February, 1977

The Permanent Secretary,  
Ministry of Agriculture and  
Natural Resources,  
Ibadan.

Upper Ogun Cattle Ranch

P.3

I am directed to refer to your letter No. EC.249/221 of 17th December, 1976 and to request you to send a representative of your Ministry to a meeting which will be held under the chairmanship of the Secretary for Special Duties, Office of the Military Governor on Thursday 17th February, 1977 at 10 a.m.

2. I should mention that an attempt would be made at the meeting by representatives of your Ministry, the Livestock Company and the Investment and Credit Corporation of Oyo State to plan a joint action that would tide the Upper Ogun Cattle Ranch over the problems of the transitional period currently facing it such that funds which should be identifiable in separate records could be provided for the project pending the real assumption of responsibility by the Livestock Company.



*E. O. Omobowale*  
(E. O. Omobowale),  
Secretary to the Military  
Government and Head of Service.

CONFIDENTIAL

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26

SP/C.201/T/26

10 February, 1977

The Managing Director,  
Odu'a Investment Company Limited,  
Ibadan.

(For the Personal Attention of Mr. V.A. Odunaiya)

Upper Ogun Cattle Ranch

I am directed to inform you that it will be appreciated if you can, please, help us to invite an authoritative spokesman of the Western Livestock Company to a meeting which will be held under the chairmanship of the Secretary for Special Duties, Office of the Military Governor on Thursday 17th February, 1977 at 10 a.m.

2. I should mention that an attempt would be made at the meeting by representatives of the Ministry of Agriculture and Natural Resources, the Livestock Company and the Investment and Credit Corporation of Oyo State to plan a joint action that would tide the Upper Ogun Cattle Ranch over the problems of the transitional period currently facing it such that funds which should be identifiable in separate records could be provided for the project pending the real assumption of responsibility by the Livestock Company.



*E. O. Omobowale*

(E. O. Omobowale),  
for Secretary to the Military  
Government and Head of Service.

CONFIDENTIAL

2977  
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SP/C.201/T/27

10 February, 1977

The General Manager,  
Investment and Credit Corporation  
of Oyo State,  
P.M.B. 5085,  
Ibadan.

Upper Ogun Cattle Ranch

P. 1

I am directed to refer to your letter No. A/C.41/178 of 10th December, 1976 and to invite you to a meeting which will be held under the chairmanship of the Secretary for Special Duties, Office of the Military Governor on Thursday 17th February, 1977 at 10 a.m.

2. I should mention that an attempt would be made at the meeting by representatives of your Corporation, Ministry of Agriculture and Natural Resources and the Livestock Company to plan a joint action that would tide the Upper Ogun Cattle Ranch over the problems of the transitional period currently facing it such that funds which should be identifiable in separate records could be provided for the project pending the real assumption of responsibility by the Livestock Company.

*E. O. Omobowale*

(E. O. Omobowale),  
Secretary to the Military  
Government and Head of Service.



*Mr. Babuji*

*Pl. attach all files at your disposal which*

~~28~~ 297<sup>w</sup>

relate to the Upper Ogum  
Cattle Ranch and the  
Western Livestock Company.

11/11  
10/2/77

p Sec (SD)  
~~Prin. Sec. (SC)~~

Re: your memo, above, the main  
file SP/c 201 in which you are likely  
to read about Upper Ogum Cattle  
Ranch is ~~not~~ in action with Burdett.  
However, File SP/c 172 (Western State Agric  
Inv. Corporation) in which the Cattle  
Ranch was mentioned at p. 472 (flipped)  
is here attached. As to the Western  
Livestock Company, no file is yet opened  
thereon please.

CR 14/2/77

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2977X

SP/C.201/T/29

16 February, 1977

The Permanent Secretary,  
Ministry of Finance  
and Economic Development,  
Ibadan.

(For the Personal Attention of Mr. F. O. Abiona)

Upper Ogun Cattle Ranch

I am directed to inform you that an attempt is currently being made at this end to plan a joint action that would tide the Upper Ogun Cattle Ranch over the problems of the transitional period now facing it such that funds which should be identifiable in separate records could be provided for the project pending the real assumption of responsibility by the Livestock Company.

2. With this end in view, a meeting<sup>which</sup> will be held under the chairmanship of the Secretary for Special Duties, Office of the Military Governor has been fixed for Thursday 17th February, 1977 at 10 a.m. I have, therefore, been asked to request you to send a representative of your Ministry to the meeting and to apologize for being unable to inform you, earlier than now, about the meeting.

OFFICE OF THE MILITARY GOVERNOR  
DESPATCHED  
16 FEB 1977  
CAK  
Ibadan

*E. O. Omobowale*  
(E. O. Omobowale),  
for Secretary to the Military  
Government and Head of Service.

2977 PS(SC)

(I)

Draft Minutes of the meeting held on Thursday 17th February is submitted for consideration

SAO

18/2/77

AS(SC)

(II)

Pl. find the vetted minutes a-b-c. It will still be submitted to the Sec(SD) for consideration in a draft form.

19/2/77

Sec(SD)

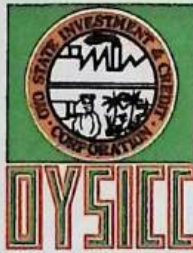
PS(SC)

(III)

I submit draft minutes a-b-c for your consideration.

I have amended the minutes as directed.

21/2 PS(SC) Ty. pl. fair as amended 22/2



Sp/c 201

man. Justice  
12/1/77  
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# OYO STATE INVESTMENT AND CREDIT CORPORATION

(A STATUTORY ORGANISATION OF THE OYO STATE GOVERNMENT)

FLOORS 17-19 COCOA HOUSE, PRIVATE MAIL BAG 5085, IBADAN. TEL: 62810 - 2

OUR REF: A.2/128/Vol.3/22

TELEX NO. 31122 A1. CORP. NG.

YOUR REF:

TELEGRAMS/CABLES: OYSICCO IBADAN

13th January, 1977.

The Secretary to the Military Government  
and Head of Service,  
Office of the Military Governor,;  
Agodi,  
Ibadan.



Nigerian Agricultural Bank Limited:  
Loans to Old Western State Corporations for Storage Facilities

----- With reference to my letter No. A.2/128/Vol.3/21 of 7th January, 1977, I enclose details of the allocation of funds approved for storage facilities.

(G. O. Ajani),  
for General Manager.

ARCHIVES OF THE

WESTERN STATE AGRICULTURAL CREDIT CORPORATION

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Loans Approved for Storage Facilities

ITEMS	UNIT PRICE (N)	STATES														TOTAL LOANS APPROVED (N)	
		OYO						ONDO						OGUN			
		IBADAN CIRCLE		OSHUN CIRCLE		TOTAL		AKURE CIRCLE		EKITI CIRCLE		TOTAL		ABEOKUTA CIRCLE			
		No.	Value(N)	No.	Value(N)	No.	Value(N)	No.	Value(N)	No.	Value(N)	No.	Value(N)	No.	Value(N)		
RICE MILL AND ENGINE	3175.00	1	3,175.00	2	6,350.00	3	9,525.00	-	-	3	9,525.00	3	9,525.00	4	12,700.00	31,750.00	OYO: Shaki, Erinmo, Iwara ONDO: Igbemo, Aiyedun, Efon-Alaye, OGUN: Obafemi, Owode, Wasini, Ilaro
PLYWOOD BIN DRYER	4283.34	1	4,283.34	2	8,566.68	3	12,850.02	-	-	3	12,850.00	3	12,850.00	4	17,133.36	42,833.40	"
DRYER ENGINES	8400.00	1	8,400.00	2	16,800.00	3	25,200.00	-	-	3	25,200.20	3	25,200.00	4	33,600.00	84,000.00	"
DRYERS FOR PLYWOOD DIBS	1920.00	1	1,920.00	2	3,840.00	3	5,760.00	-	-	3	5,760.00	3	5,760.00	4	7,680.00	19,200.00	"
SPARE PARTS (FOR 1 yr)	8134.00		814.30		1,628.60		2,442.90	-	-		2,442.90		2,442.90		3,257.20	8,143.00	"
PORTAL STEEL FRAME WAREHOUSES	37589.00	1	37,589.00	2	75,178.00	3	112,767.00	-	-	3	112,767.00	3	112,767.00	4	150,356.00	375,890.00	"
CRIBS	2500.00	14	35,000.00	6	15,000.00	20	50,000.00	2	5,000.00	4	10,000.00	6	15,000.00	4	10,000.00	75,000.00	OYO: Shaki, Ilero, Iseyin, Oyo, Iwo, Eruwa, Igboora, Osogbo, Ogbomoso, Ila ONDO: Ikole, Ikare, Owena OGUN: Idi-Emi, Ifonyintedo
WEIGHING SCALES	225.00	8	1,800.0	5	1,125.00	13	2,925.00	1	225.00	5	1,125.00	6	1,350.00	6	1,350.00	5,625.00	OYO: Shaki, Erinmo, Iwara, Shaki, Iseyin, Oyo, Iwo, Eruwa, Igboora, Osogbo, Ogbomoso, Ila ONDO: Igbemo, Aiyedun, Ikole, Efon-Alaye, Ikare, Owena OGUN: Obafemi, Owode, Wasini, Ilero, Idi-Emi, Ifonyintedo
ENGINE DRIVEN MAIZE SHELLER	705.00	-	-	-	-	-	-	1	705.00	-	-	1	705.00	-	-	705.00	ONDO: Owena
TRACTOR DRIVEN MAIZE SHELLER	2780.00	7	19,400.00	3	8,340.00	10	27,800.00	-	-	2	5,560.00	2	5,560.00	2	5,560.00	38,920.00	OYO: Shaki, Ilero, Iseyin, Oyo, Iwo, Eruwa, Igboora, Osogbo, Ogbomoso, Ila
TOTAL SPARES (For 1 year)	830.00		41415.40		177.60		593.00				118.50		118.50		118.50	830.00	ONDO: Ikole, Ikare OGUN: Idi-Emi, Ifonyintedo
<b>TOTAL</b>			112,857.04		137,005.88		249,862.92		5,930.00		185,348.62		191,278.42		241,755.06	683,896.40	44% of N682,896.40 = N300,424.41 31% " " = 211,697.88 25% " " = 170,724.11 N682,896.40
							300,424.41	44%					211,697.88	31%	170,724.11	25%	



299A

# OYO STATE INVESTMENT AND CREDIT CORPORATION

(A STATUTORY ORGANISATION OF THE OYO STATE GOVERNMENT)

FLOORS 17-19 COCOA HOUSE, PRIVATE MAIL BAG 5085, IBADAN. TEL: 62810 - 2

OUR REF: AG.1/1A/21

TELEX NO. 31122 A1. CORP. NG.

YOUR REF:

TELEGRAMS/CABLES: OYSICCO IBADAN

26th January, 1977.

The Secretary to the Military Government  
and Head of Service,  
Governor's Office,  
Secretariat,  
Ibadan.



## Establishment of Commercial Oil Palm Project: Oyo State

Following the State Implementation Committee decision that Agricultural projects previously managed by the old Western State Agricultural Investment Corporation should become the property of the States in which they were sited most of the Plantations of the old W.S.A.I.C. went to Ogun and Ondo States. Infact no oil palm project is in Oyo State. Palm Oil is now being purchased for sale by the Oyo State Investment and Credit Corporation from Ogun and Ondo States. It is not considered as desirable in the long run to rely absolutely on other States for supply of palm oil if oil palm can be economically established in Oyo State.

2. A feasibility study has recently been commissioned on the establishment of two 8,000 hectare Oil Palm Plantation Projects in Oyo State. The oil palm belt of the old Western State covers the tract of land stretching from Southern Ife through Ibadan South covering both the Ife and Ago-Owu Forest Reserves. In these area are sited two Farm Settlement Schemes - Ile Ife and Ago-Owu Farm Settlement Schemes both with some 3,600 hectare of land.

3. It is expected that part of the Forest Reserves around the two Farm Settlement Schemes and land which local people have shown willingness to offer in the area would make up the land required for the two oil palm projects. The two sites proposed for the Plantations are:-

- (a) Ago-Owu Farm Settlement Scheme land in the area promised by local people and Ago-Owu Forest Reserve.
- (b) Ile-Ife Farm Settlement Scheme land in the area around Oyere/Aborishade and the Ife Forest Reserve.

Some 10,000 hectare (25,000 acres) of land would be required for each of the two projects.

Pl. See P. 15

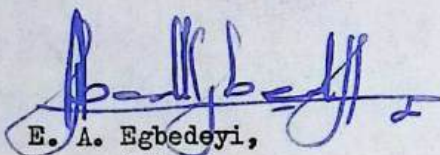
2  
299B

It will therefore be appreciated if:

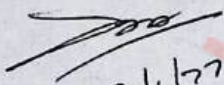
- (i) The State Government could be agreeable to the de-forestation of the two forest reserves for purpose of palm oil establishment in Oyo State.
- (ii) Authorise the Ministry of Agric. and Natural Resources to allow the Soil Investigation Team of this Corporation and the Consultant studying the feasibility of the project to have free access into both Forest Reserves for purpose of soil examination and stream survey, and test.

4. It is considered that oil palm planting can commence in June, 1979 if it is possible to have the suitable land for use before end of August, 1977. The land Investigation Team of the Corporation will move in for necessary survey immediately the Ministry of Agriculture and Natural Resources gives the green light.

5. It will be highly appreciated if this could be given top priority.

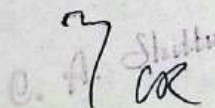
  
 E. A. Egbedeyi,  
 General Manager.

To me in file pl.

  
 3.1.77

SMARTS.

I respectfully submit from pl.  
 for your kind attention.  
 2. The main file was sent to  
 the Solicitor - General and P. S.  
 on the 11<sup>th</sup> January, 1977 and has  
 since not returned to this office,  
 please.

  
 C. A. CR 1/2/77

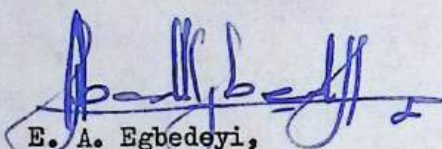
2  
298

It will therefore be appreciated if:

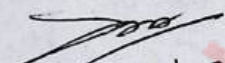
- (i) The State Government could be agreeable to the de-forestation of the two forest reserves for purpose of palm oil establishment in Oyo State.
- (ii) Authorise the Ministry of Agric. and Natural Resources to allow the Soil Investigation Team of this Corporation and the Consultant studying the feasibility of the project to have free access into both Forest Reserves for purpose of soil examination and stream survey, and test.

4. It is considered that oil palm planting can commence in June, 1979 if it is possible to have the suitable land for use before end of August, 1977. The land Investigation Team of the Corporation will move in for necessary survey immediately the Ministry of Agriculture and Natural Resources gives the green light.

5. It will be highly appreciated if this could be given top priority.

  
 E. A. Egbedeyi,  
 General Manager.

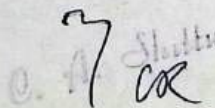
To me in file pl.

  
 3.1.77

SMARTS.

I respectfully submit from pl. for your kind attention.

2. The main file was sent to the Solicitor - General and P. S. on the 11<sup>th</sup> January, 1977 and has since not returned to this office, please.

  
 C. A. CR 1/2/77

~~3~~  
2990

Prin Sec (Sc)  
~~14/2~~

Pl. seek the views of PSNANR on pp1-2  
which should be made available within  
4 weeks in order to enable budgetary  
provisions to be made for the proposals.

~~T. A. AGNYELE~~

11/2/77

ARCHIVES OF OYSCA



NIGERIAN AGRICULTURAL BANK LTD.

P.M.B. 2155,  
18/19 AHMADU BELLO WAY,  
KADUNA.  
PHONES:  
GEN. MANAGER 42203  
23551 EXT. 290  
PROJECTS 42204  
OPERATIONS  
ADMIN. & FIN. 42205  
TELEGRAMS: NAGRIBANK  
TELEX: 71115 NABANK NG

*sn/c 12/12*  
*171*

*457*  
*452*  
*300*

Our Ref: P-YYS10W106

25th January, 1977

The Secretary to the Military  
Government and Head of Service,  
Ondo State.

The Secretary to the Military  
Government and Head of Service,  
Oyo State.



Dear Sir,

WESTERN STATE AGRICULTURAL CREDIT CORPORATION

We refer to our letters ref. P-YYS10W106 and P-YYS10W106 of 4th August, 1976 and 13th October, 1976 respectively, and attach herewith a photocopy of a letter received from the Secretary to the Military Government and Head of Service, Ogun State in respect of the above matter.

*pp 452-456*  
*P. 459*

Please let us have your comments soonest.

Assuring you of our best attention at all times.

We remain,  
Yours faithfully,  
NIGERIAN AGRICULTURAL BANK LIMITED

(C. E. Nwachuku)  
MANAGER, OPERATIONS DEPARTMENT

*Prim. Sec. (sc)*

*Above is referred for n.a. ple.*

*.... / 2*

*Pl. Sec P 310*

*CR*  
*2/2/77*

458  
453  
301

cc: The Permanent Secretary,  
Ministry of Agric & Nat. Resources,  
ABEOKUTA,  
Ogun State.

The Permanent Secretary,  
Ministry of Agric & Nat. Resources,  
AKURE,  
Ondo State.

The Permanent Secretary,  
Ministry of Agric & Nat. Resources,  
IBADAN,  
Oyo State.

The General Manager,  
W.S.A.C.C.,  
IBADAN,  
Oyo State.

Area Office - Ibadan.

ARCHIVES OF OYSCA

CONFIDENTIAL

TELEPHONE 2667

MAIL MAIL BAG No. 2058

OFFICE OF THE



MILITARY GOVERNOR

ABEOKUTA · OGUN STATE, NIGERIA

Your Ref. No. ....  
All communications should be  
addressed to the Secretary to the  
Military Government and Head of  
Service quoting  
Our Ref. No. C.43/92

6<sup>th</sup>  
Date January, 1977.

The General Manager,  
Nigerian Agricultural Bank Ltd.,  
P. M. B. 2155,  
18/19 Ahmadu Bello Way,  
Kaduna,  
Nigeria.

(Attention: Mr. C. E. Nwachuku, Operations Manager)

Dear Sir,

Western State Agricultural Credit Corporation

Further to my letter No. C.43/83 of 6th December, 1976 which was in reply your letters Nos. P-YYS10W106 of 4th August, 1976 and P-YYS10W106 of 13th October, 1976 I am to confirm that the Ogun State Government has decided to retain and guarantee its own share of the above loan. In this regard, the State Government prefers the first alternative line of action suggested in paragraph 3 (1) of your letter No. P-YYS10W106 of 4th August, 1976 viz:-

that the guarantee should be for the proportionate amount of the loan used in financing the projects which are physically situated in Ogun State out of the loan granted by the Nigerian Agricultural Bank to the former Western State Agricultural Credit Corporation.

2. From the data available in our records, Ogun State's share of the above loan which the Government is prepared to guarantee is N1,305,518.86k (One million, three hundred and five thousand, five hundred and eighteen Naira and eighty-six kobo).

3. I shall be grateful if you will please forward in due course, the drafts of both the Agreement to be entered into by Ogun State Agricultural Development Corporation, and of the guarantee to be entered into by Ogun State Government for further action.

Yours faithfully,

(M. A. Adekoya),  
for Secretary to the Military  
Government and Head of Service.

CONFIDENTIAL

S.M.G. & H.S.

Via Sec. (SD) ~~4/7~~ 2

I hereby respectfully invite your attention to the letter at pages 265 - 266 which was addressed to the Secretaries to the Military Governments and Heads of Services for Oyo, Ondo and Ogun States respectively by the Manager of the Nigerian Agricultural Bank Ltd. He disclosed in the letter that the defunct Western State Agricultural Credit Corporation entered into a loan agreement for the sum of ₦4,368,210.00 and that the loan was guaranteed by the former Western State Government. He indicated that it had become necessary - as a result of the creation of States - to review the guarantee and the project for which the guarantee was given.

2. The Manager also suggested that the three State Governments should consider one of the following lines of action on the aforementioned subject :-

(i) taking of physical inventory of projects being financed and to be financed by each State after which each State Government would enter into a guarantee for what projects are physically within its boundaries because it is expected that the total of the guarantees would be the same as the initial loan amount;

or (ii) the adoption of the 44 : 31 : 25 ratio - which was adopted in the sharing of the assets and liabilities within the three States - for purposes of guaranteeing the N.A.B. the loan.

In the letter at page 300 which was also addressed to the Secretaries to the Military Governments and Heads of Services for Oyo and Ondo States respectively, the Manager disclosed that the Ogun State Government had opted vide a letter dated 6th January 1977, a photostat copy of which is at page 302 to

304

retain and guarantee its own share of the above loan by adopting the first alternative suggestion reproduced earlier in this paragraph. He therefore wants the comments of the remaining two States on how they intend to guarantee their own shares of the loan. I should mention that the S.M.G. & H.S. for Ogun State claims in the letter at page 302 that records at his disposal confirm that Ogun State's share of the loan is ₦1,305,518.86.

3. It will be recalled that this matter had earlier been considered vide the minutes at pages 273 - 276 of this file and the conclusion arrived at then was that :-

- (i) the immediate assistance of the Solicitor-General should be sought in re-arranging the legal obligations in order to cover up all technical and legal loopholes in the matter;
- (ii) the General Manager of Oyo State Investment and Credit Corporation should be requested to expedite action in taking the inventory of all the assets and liabilities involved while waiting for the advice of the Solicitor-General.

Action was subsequently taken as indicated above vide the letter at page 276 which was addressed to the GM, I.C.C.O.S. and the minute at page 296 in which the Solicitor-General's legal advice was sought.

4. The GM, I.C.C.O.S. has now indicated vide the letter at page 288 that action on the inventory of the assets was in progress and that details would be forwarded to this Office as soon as possible. The Solicitor-General has, in his minute at page 297, advised that the review of the loan agreement could not be done at this stage in view of the fact that :-

- (i) the I.C.C.O.S. is not a successor of W.S.A.C.C. and as such its assets and liabilities cannot be said to vest in the I.C.C.O.S.;

- (ii) Oyo State Government too is not a successor to the former Western State Government which guaranteed the loan.

He also indicated that his Ministry could consider the review of the loan agreement when the Government should have taken a decision as to the sharing of the assets and liabilities of the defunct W.S.A.C.C. He however claimed that it might even be better to await the promulgation of a Federal Decree which would vest the assets and liabilities of the W.S.A.C.C. in the new States before undertaking a review of the loan agreement.

5. The legal advice of the Solicitor-General notwithstanding, we would have no alternative than to guarantee our own share of the loan if Ondo State too should take a similar decision to the one taken by Ogun State. In the mean time, I feel it would be advisable to -

- (i) give an interim reply to the letter at pages 265 - 266 by informing the Manager N.A.B. Ltd. that he would be informed about Oyo State Government's stand in due course;
- (ii) communicate the legal advice of the Solicitor-General on the matter to the Secretaries to the Military Governments and Heads of Services of Ondo and Ogun States so that we can know what they feel about it as their reaction to that advice would determine what we should do at this end;
- (iii) urge the General Manager, I.C.C.O.S. to expedite action in -
  - (a) identifying the projects located in Oyo State on which part of the loan was spent;
  - and (b) determining the amount of money spent on the projects identified out of the said loan of ₦4,368,210.00.

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6. Subject to your approval action will be taken as suggested in the preceding paragraph when file returns to me.

*E. O. Omobowale*  
(E. O. Omobowale),  
Prin. Sec. (SC)

4 Feb. 1977.

7. Before the return of file, you may wish to keep H.E.M.G. in the picture at this stage.

*[Signature]*  
7/2/77.

YE

The minutes from p. 303 are submitted for YE information at this stage. Action will be pursued as in para 5 overleaf while awaiting the reactions of Ondo State Govt.

*[Signature]*  
L. A. ALINYE E.

11/2/77.

Noted.

*[Signature]*  
14/2

Prin Sec (SC)

15/2

For f.n.a pl.

*[Signature]* 14/2/77.

SP/C.201/T2/36

16<sup>th</sup> February, 1977.

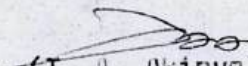
The General Manager,  
Investment and Credit Corporation of  
Oyo State,  
Cocoa House,  
Ibadan.

(For the attention of Mr. Egbedeyi)

Consultancy Contract with N.I.J.A.L.


During the meeting of the Treasury Board yesterday, it was understood that your Corporation had entered into some consultancy contract with Nigerian Joint Agency Limited (N.I.J.A.L.). It will be appreciated if you will let me know the circumstances of this contract as a matter of urgency.



  
(T. A. Akinyele),  
Secretary to the Military Government &  
Head of Service.

See P. 37

BV 25/2/77 ✓

  
T. A. AKINYELE  
(6/2/77)

SP/C.201/307

17 February, 1977

The Secretary to the Military Government  
and Head of Service,  
Office of the Military Governor,  
Ogun State,  
ABOKUTA.

The Secretary to the Military Government  
and Head of Service,  
Office of the Military Government,  
Ondo State,  
AKURE.

Western State Agricultural Credit Corporation

I am directed to refer to a letter No. P-YY510W106 of 4th August, 1976 which the Manager of the Nigerian Agricultural Bank Limited addressed to the Secretaries to the Military Governments and Heads of Services for Oyo, Ondo and Ogun States in connection with a loan of ₦4,368,210 granted to the defunct Western State Agricultural Credit Corporation by the Nigerian Agricultural Bank Limited. As the loan was guaranteed by the former Western State Government, the Manager has now expressed the view in his letter under reference, a photostat copy of which is attached, that it had become necessary, as a result of the creation of three States out of the former Western State, to review the guarantee as well as the project for which the guarantee was given. With this end in view, the General Manager offered two alternative lines of action which the three States could adopt for the purpose of reviewing the guarantee.

2. Following the receipt of the Manager's letter at this end, the legal advice of the Oyo State Solicitor-General and Permanent Secretary, Ministry of Justice was sought on the matter. I attach herewith for your information the photostat copy of a submission containing the legal advice given by the Oyo State Solicitor-General who is of the opinion that the review of the loan agreement could not be done at this stage in view of the fact that :-

(1) "the Oyo State Investment and Credit Corporation does not succeed the former Western State Agricultural Credit Corporation so that the assets and liabilities can be said to vest in the new Corporation";

and (ii) "neither is the Oyo State Government a successor to the former Western State Government which guaranteed the loan".

The Solicitor-General also indicated that his Ministry could consider the review of the loan agreement when the Government should have taken a decision as to the sharing of the assets and liabilities of the defunct Corporation. He, however, claimed

See P. 423

11. See P. 384  
" " P. 394

See P. 386

that it might even be better to await the promulgation of a Federal Decree which is in the offing and which would vest the assets and liabilities of the former Western State in the three new States, before undertaking a review of the loan agreement.

3. I have, therefore, been asked to say that it will be appreciated if you can, please, let us have the benefit of your views on the suggestion of the Manager vis-a-vis the legal advice of the Oyo State Solicitor-General and Permanent Secretary, Ministry of Justice.



*(Signature)*  
(E. O. Omobowale),  
for Secretary to the Military  
Government and Head of Service.

CONFIDENTIAL

ARCHIVES OF

369

SP/C.201/309

17 February, 1977

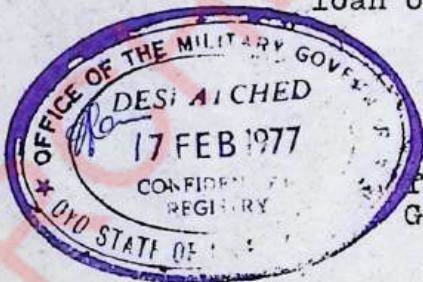
The General Manager,  
Investment and Credit Corporation  
of Oyo State,  
P.M.B. 5085,  
Ibadan.

Western State Agricultural Credit Corporation

P.288

I am directed to refer to your letter No. A2/128/3/21 of 7th January, 1977 and to request you to expedite action in -

- (a) identifying the projects located in Oyo State on which part of the Agricultural Bank loan of ₦4,368,210.00 was spent;
- and (b) determining the amount of money spent on the projects identified out of the said loan of ₦4,368,210.00.



*E. O. Omobowale*

(E. O. Omobowale),  
for Secretary to the Military  
Government and Head of Service.

See p. 385  
394

CONFIDENTIAL

SP/C.201/310

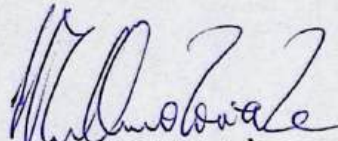
17 February, 1977

The Manager,  
Nigerian Agricultural Bank Ltd.,  
P.M.B. 2155,  
18/19 Ahmadu Bello Way,  
KADUNA.

(For the Personal Attention of Mr. C.E. Nwachuku)

Western State Agricultural Credit Corporation

I am directed to inform you that the stand of the Oyo State Government on the issues raised in your letters Nos. P-YYS10W106 of 4th August, 1976 and P-YYS10W106 of 25th January, 1977 will be communicated to you in due course.



(E. O. Omobowale),  
for Secretary to the Military  
Government and Head of Service.



CONFIDENTIAL



SMG x HS

SP/C 201 311

# OYO STATE INVESTMENT AND CREDIT CORPORATION

(A STATUTORY ORGANISATION OF THE OYO STATE GOVERNMENT)

FLOORS 17-19 COCOA HOUSE, PRIVATE MAIL BAG 5085, IBADAN. TEL: 62810 - 2

OUR REF: A/C.169/90

TELEX NO. 31122 A1. CORP. NG.

YOUR REF:

TELEGRAMS/CABLES: OYSICCO IBADAN

Secretary to the Military Government  
and Head of Service,  
Office of the Military Governor,  
Agodi,  
Ibadan.



## Organisation Structure and Salary Grading for Oyo State Investment and Credit Corporation

P. 156  
With reference to your letter No. SP/C.201/156 of 8th September, 1976 and my letter A/C.169/33 of 14th September, 1976 on the above subject, the Board of this Corporation has recently reviewed the structure approved in the annexure to your letter under reference and noted that the Ministry of Establishments recommended Grade Level 15 for the Chief Executive of this Corporation and the merging of the Administration Division with the Finance Division because it felt that -

- (a) If the post of Chief Executive is graded Grade Level 16 at that time, such grading would hardly be justified if and when new Corporations were carved out in the future.
- (b) Heads of Departments of the Administration and Finance would not initially carry a work-load the magnitude of which could justify the separate division status or the salary grading that would arise.

2. The Board also noted that the Ministry identified the pre-occupation of the new Corporation at its inception to be:-

- (i) setting up an administrative machinery;
- (ii) servicing what remained in the three Corporations which were merged into one and
- (iii) planning and identifying new areas of investments.

3. The Board found however that the Ministry of Establishments could not identify the work load of the Chief Executive who was to carry responsibilities that have been assigned to two or three different Corporations in other States nor was it able at that time, to visualise the work load of the various Head of Departments in the new Corporation.

4. After eight months of running the Corporation, the Board is satisfied that apart from the fact that the merging of the Finance and Administration Departments under one Controller is uneconomical and that the arrangement will create bottle neck and thereby slow down activities since both the Secretary and the Chief Accountant will have to reach the General Manager through the Head of Department of Finance and Administration, the hope of saving the General Manager of routine financial and administrative matters will not be achieved as the Heads of Department of Administration and Finance already have powers to settle routine matters without

See 319

reference to the General Manager. This means that matters which now reach the General Manager are of such administrative and financial importance that, if even there was an intermediary between these two officers and the General Manager in the form of a Controller of Finance and Administration, these matters will still reach the General Manager. It is to be noted also that the Secretary is also Secretary to the Board of the Corporation: he should therefore have free access to the Chief Executive.

5. As regards the merging of Agricultural Credit with the Agricultural Investment Operations, the Corporation has found this to be unworkable for the following reasons:-

- (i) The Agricultural Investment Operations Department is already large enough having under it, the Marketing Division, the Agricultural Engineering Division, the Planning Division and the Agricultural Operations Division in addition to the supervisory role placed on it in respect of the Agro-Allied Industries of Lafia Canning Factory and Eleiyele Cashew Factory.
- (ii) The Agricultural Credit Department, per se, is extensive enough to form a body corporate. This is in fact, the case in some smaller States where the number of farmers receiving the loan, the total State population and the acreage of farms are much smaller than those of Oyo State.
- (iii) In addition to population and coverage, the importance of credit loan and the delicacy of handling matters concerning farmers require that whosoever is in charge should be intimately knowledgeable about field events and plan strategies to deal with them in order to obviate possible crises. He should in this wise be solely devoted to loans, and be directly responsible to the General Manager as second level of management.

6. The Ministry of Establishment's sole reason for recommending merging of the Agricultural Investment Operations with Agricultural Credit appears to be to ensure that as few people as possible report to the General Manager. There is no doubt that there is an ideal span of control for a Chief Executive but it is equally important that any merging of departments should accord with the principle of getting a proper balance between ensuring that few people report to the Chief Executive and the value of a structure that can guarantee optimum result through smooth flow of activities. It is on this basis that the Corporation is of the opinion that a new structure is necessary. It is to be noted that in the proposed structure, the number of officers reporting to the General Manager are not more than the number of officers reporting directly to Permanent Secretaries in comparable Ministries.

7. The Board of the Corporation also felt that the Chief Executive of the Corporation should not be on a grade level lower than 16 in view of the extent and diversification of the Corporation's activities. The main reason why the Permanent Secretary, Ministry of Establishment and Training did not recommend G.L. 16 was that he shared the belief that the Corporation was extensive and may have to be carved into two or three Corporations later. According to him, if the post of the General Manager is graded level 16 now, such a grading would hardly be justified if and when the various Corporations are carved out. This argument appears impartial to the officers of the Corporation who should be paid in accordance with their present workload and responsibility. If and when smaller Corporations are carved out of the present giant one, officers would again be regraded and anyone who happens to be placed in an office of lower grading will keep his grading personal to himself. For now, the guiding principle is that payment should be commensurate with volume of work and level of responsibilities.

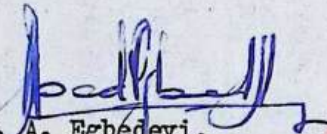
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It is on the basis of the foregoing that the Board of the Corporation recommends approval of the attached structure and the following salary gradings:-

- (i) General Manager - G.L. 16
- (ii) Controller of Agricultural Operations - G.L. 15
- (iii) Controller of Industrial Operations - G.L. 15
- (iv) Controller of Finance - G.L. 15
- (v) Controller of Administration - G.L. 14
- (vi) Controller of Agric. Credit Operations - G.L. 14
- (vii) Controller of Internal Audit - G.L. 14


8. The grading is based on the diversity and coverage activities of the Corporations which cannot be compared with those of any of the existing Corporations in the three States carved out of Oyo State with the possible exception of the Water Corporation.

9. A copy of this letter is being forwarded to the Permanent Secretary, Ministry of Finance and Economic Development and the Permanent Secretary, Ministry of Establishment and Training.

  
E. A. Egbodeyi,  
General Manager.

File Note

Pl. see action taken  
on this letter  
vide our letter  
NO SP/c 201/319 which  
can be found at  
page 357 of this  
file.

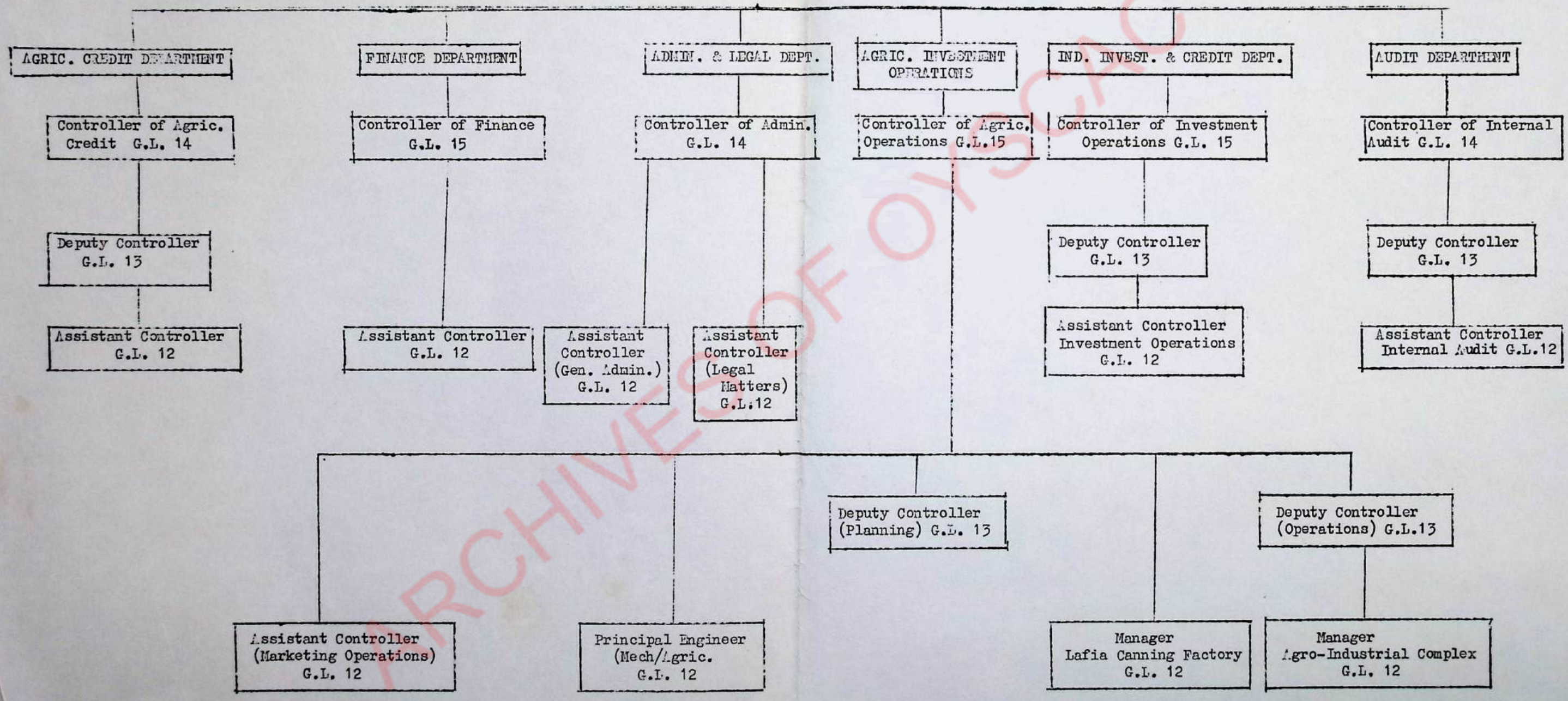
  
22/2/77

ARCHIVES OF OYO STATE

OYO STATE INVESTMENT AND CREDIT CORPORATION

ORGANISATION CHART

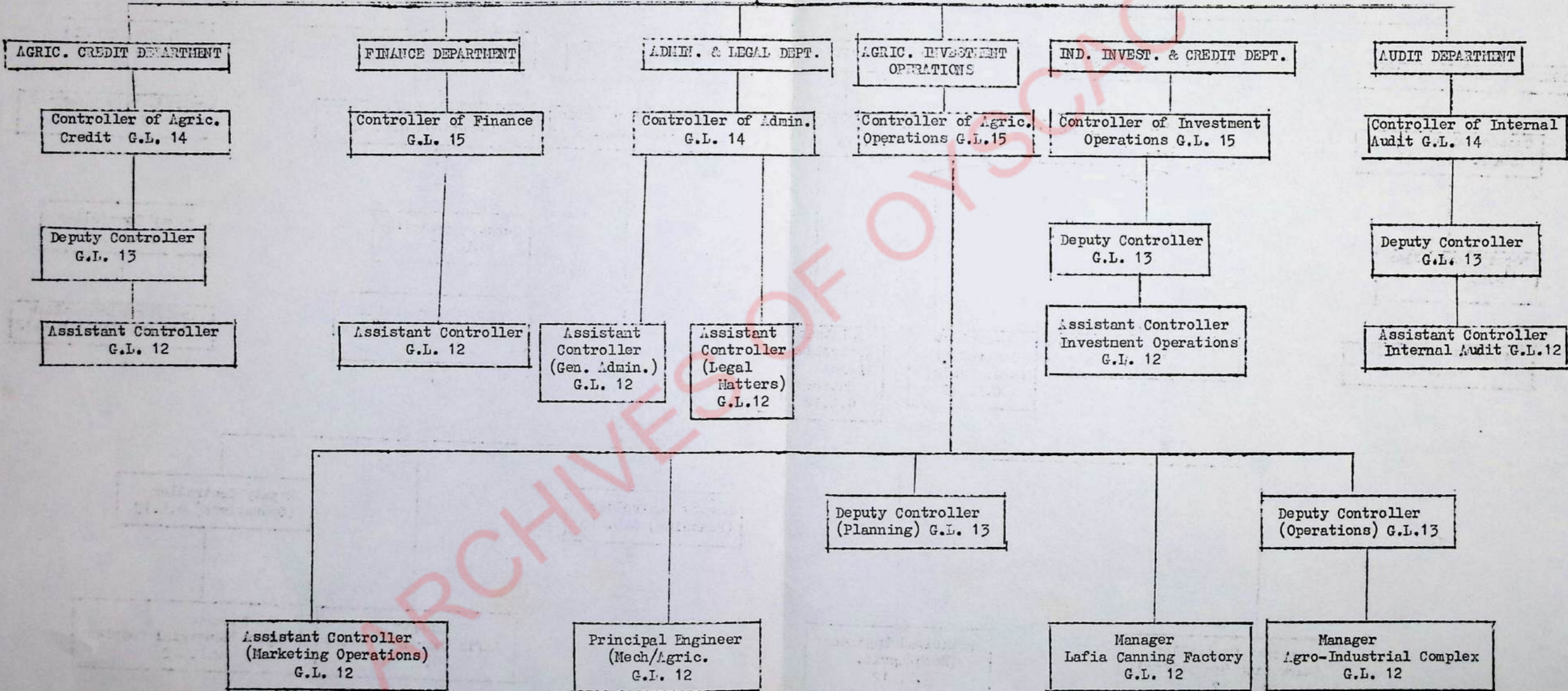
GENERAL MANAGER G.L. 16



OYO STATE INVESTMENT AND CREDIT CORPORATION

ORGANISATION CHART

GENERAL MANAGER G.L. 16



MINISTRY OF  
AND



FINANCE  
ECONOMIC DEVELOPMENT

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EXPENDITURE DIVISION

PRIVATE MAIL BAG 5341 · IBADAN · OYO STATE OF NIGERIA

Your Ref. No.....  
All communications on this matter  
should be addressed to the Permanent  
Secretary quoting  
Our Ref. No. EST.A2/2/77-78

Date... 12 January, 1977.

The General Manager,  
Oyo State Investment and Credit  
Corporation,  
Cocoa House,  
Ibadan.

Oyo State Investment & Credit Corporation	
RECEIVED	
DATE	12/1/77
FOR ACTION	Lim. S.C.O.

Very large  
comm. pl.  
12/1/77

Application for the Release of Funds for  
Investments in International Breweries Limited

With reference to your letter No. I/C.2/33 of 25th November, 1976, I am directed to recall that it was agreed between this Ministry and your Corporation that funds would be made available for investments in new projects, as and when required, after feasibility studies on the projects have been carried out and investment plans for them mapped out. The Executive Council has also just decided that such funds would be made available by Government only after it has become clear that no financial institution is willing to finance the investments. It is necessary therefore for you to state clearly why the funds now required for your investment in International Breweries Limited cannot be obtained from sources other than Government.

2. More important than the foregoing is the question of feasibility studies on the proposed project. The attachment to your letter is a report of a visit by a 3-man team to a Brauhasse brewery in Lome, Togo, as part of the effort to set up the beer and soft drink plant in the State. Part of the attachment also shows the proposed shareholding pattern. The document is however, not a suitable substitute for the feasibility study on the proposed project. The statement on the shareholding pattern shows, for example, that of the total capital requirement of N11,520,000, N7,500,000 would be loan while N4,020,000 would be equity. This means that the ratio of loan to equity is .65:.35. It seems obvious that with this kind of loan-equity relationship a disproportionately large part of the Company's earnings would have to be devoted to loan servicing. In that case unless it can be shown that the company's earning capacity would be such that it can cope with the loan situation and still leave a comfortable margin for both dividends and reserves (for re-investment) the proposed investments may not be worthwhile. To convince this Ministry, and ultimately Government, to agree to provide funds for the proposed investments, therefore, it would be necessary to made available at least a summary of the feasibility study on the project which would contain the cash flow as well as profitability projections.

3. When the issues raised above have been dealt with it would be easy to consider more meaningfully your request for release of funds. Meanwhile I am to express support, in principle, for the proposed investment, having regard, especially, to the fact that at this point in time in this country, a brewery project has tremendous chances of being a huge success.

cjo.

BSU - file to  
on immediately

F. O. Abiona,  
for Permanent Secretary.

CONFIDENTIAL

Pl. see page 41

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OYO STATE INVESTMENT AND CREDIT CORPORATION  
XX

I/C.2/33

25th November, 76.

The Permanent Secretary,  
Ministry of Finance,  
Secretariat,  
Ibadan.

Dear Sir,

APPLICATION FOR THE RELEASE OF FUNDS FOR  
INVESTMENTS IN INTERNATIONAL BREWERIES LIMITED

Introduction

The International Breweries Limited is a project being promoted by a group of people of Oyo State origin based in Ilesha, for the purpose of brewing beer. The Project was conceived about four years ago. The original technical partners were Henniger International of western Germany. Henniger International were to be responsible for the technical aspect of the brewery and had, in fact, submitted specifications for the plant and machinery of an initial capacity of 210,000 hectolitres of beer per annum (that is, three million cartons of beer per annum). This group, however, have dropped out of the negotiation probably because of inability or unwillingness to meet the attendant financial obligations of the venture. On the advice of the Nigerian Industrial Development Bank, the promoters had discussions with six other technical partners, as a result of which Messrs. Brauhaase of Holland were chosen as the most suitable.

2. On the establishment of the Oyo State Investment and Credit Corporation management decided to seek participation in the venture. Negotiations were promptly entered into with the promoters of the venture and other prospective share-holders as a result of which the following financing plan was agreed upon:-

	<u>Percentage</u>	<u>Equity</u> N	<u>Loan</u> N
Promoters	25%	1,020,000	-
OYSICC	25%	1,000,000	600,000
N.S.C.I.	15%	600,000	2,500,000
N.I.D.B.	15%	600,000	2,500,000
O'dua Investment Co. Ltd.	10%	400,000	400,000
Brauhaase	10%	400,000	-
Sub-Total	<u>100%</u>	<u>4,020,000</u>	<u>6,000,000</u>
Working Capital		-	<u>1,500,000</u>
Grand Total			<u><u>N11,500,000</u></u>

3. The Board of the Corporation at its meeting held in September, 1975 sanctioned an equity investment of ₦1,000,000 and a long term loan of ₦600,000 in the project. Because of the magnitude of the Corporation's investment and loan in the project, and in view of the fact that it is the first investment decision to be taken by the Corporation, management felt it essential that a visit to one of Brauhaase's functioning breweries situate in Lome, in the Republic of Togo be visited for an assessment of its performance before final arrangements are concluded. Consequently, by a letter dated 29th September, 1976 approval was sought from the office of the Military Governor to allow Messrs E. A. Egbedayi and M. A. Adetoye, General Manager and Deputy Controller of Industrial Operations respectively to undertake the trip to Lome. This approval was granted by the Office of the Military Governor. On Monday, 15th November, 1976, both Messrs Egbedayi and Adetoye together with Mr. Isola Farore, the Management Executive of International Breweries Limited left for Lome for the inspection visit. The visit was taken in good faith by Messrs Brauhaase who not only sent one of their officials to accompany us to Lagos but also made adequate arrangements for the officials of the brewery to meet us at the Lome airport. Because it was past noon before we arrived Lome, it was decided that the inspection of the brewery should take place on Tuesday, 16th November, 1976.

4. On Tuesday, 16th November, 1976 an inspection of the brewery was undertaken during which time, the following facts were gathered:-

ited

a) Name of Brewery

Because the brewery is sited in a French speaking country, it has a French name which is Brasserie du Benin the English Equivalent of which is Beer Benin, Incidentally, unlike in Nigeria, this brewery is the only one in the whole of the Republic of Togo. This is due to the smallness of the country and the fact that the brewery can cope with the Country's demand.

b) Products of the brewery

The brewery produces both beer and soft drinks viz:-

- i. Larger beer - 66 and 33 centimetre bottles;
- ii. Pils de luxe " " " " "
- iii. Alt Munchen " " " "
- iv. Boxer Stout
- v. Sparkling Lemonade
- vi. Soda Tonic
- vii. Bitter Lemon and
- viii. Walter Benin

c) Owners of the Brewery

The brewery is owned as follows:-

The Government of the Republic of Togo	25%
A para-statal organisation like OYSICC	15%

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Schealthoise (including Brauhaase)	35%
Merz (a private person)	25%
	<u>100%</u>

5. The technical partners are Messrs Brauhaase of Holland who are not only the technical partners in the new brewery at Oyo, Rivers State and Opa in the Kwara State but are also technical partners and consultants to other breweries in Africa and the Middle East. They are brewery specialists. A copy of the report of the inspection visit is herewith attached.

6. On Friday, 19th November, 1976, a final meeting to consider the purchase contract was held in Lagos and was attended by all the prospective share holders. The equipment purchase contract was reviewed thoroughly and the total cost which was formerly put at #1,970,000 was later reduced to #1,900,000. A letter of intent was also given to the technical partners so that they could begin action on the ordering of Machinery and Equipment. The final agreement would be signed on Friday, 17th December, 1976 at the board room of Oyo State Investment and Credit Corporation at 10.00 a.m.

7. Conclusion: In view of the fact that arrangements about the setting up of Brewery at Ilesha have been concluded and in view of the fact that share holders would be called up to make their subscription by the middle of December, it shall be greatly appreciated if your Ministry can release the sum of #1,075,000 which forms part of the funds this Corporation intends to invest on the project both as equity and long term loan during the current financial year. Provision has been made for this amount in the 1976/77 Estimates.

Yours faithfully,

  
(E. A. Egbadeyi)  
General Manager

OYO STATE INVESTMENT AND CREDIT CORPORATION

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THE PURCHASE ERECTION AND  
INSTALLATION CONTRACT.

BETWEEN

INTERNATIONAL BREWERIES LIMITED

AND

HAASE-BRAUEREI G.M.B.H.

ARCHIVES OF OXSO

THIS CONTRACT is made the 17<sup>th</sup> day of December 1976

BETWEEN INTERNATIONAL BREWERIES LIMITED a Company incorporated under the Companies Decree of the Federal Republic of Nigeria whose Principal Office is situate at Akure Road, P.O. Box 104 Ilesha in the Oyo State of Federal Republic of Nigeria (hereinafter referred to as "the BREWERIES" which expression shall where the context so admits include its successors-in-title and assigns) of the first part AND HAASE - BRAUEREI G.M.B.H. a Corporation organised and existing under the laws of the Federal Republic of Germany whose registered office is situate at D-2000 Hamburg 60, Borgweg 15A, Federal Republic of Germany (hereinafter referred to as "The COMPANY" which expression shall where the context so admits include its successors-in-title and assigns) of the other part.

WHEREAS the Breweries is desirous to have provided, delivered to site, constructed, erected, set in operation and handed over in working order and thereafter warranted in the manner and during the period hereinafter specified a brewery in Ilesha of Oyo State of Federal Republic of Nigeria (hereinafter called "the Works") and

WHEREAS the Company has agreed to carry out the works for the Breweries in the manner hereinafter stated and in accordance with the detailed Report of the works dated 19th day of November 1976 (hereinafter referred to as "the SCHEDULE") and

WHEREAS the BREWERIES will enter into a separate Technical Management Contract with the Company, and

WHEREAS the Company will take a 10% equity investment but not more than N400,000.00 in the Breweries and

WHEREAS each of the parties is in possession of the Schedule

WHEREBY IT IS HEREBY AGREED as follows:-

1. The said Works shall be with an annual capacity of 200,000 hectolitres of beer of not less than 11.5% balling during two hundred and forty (240) production days with provision for expansion to 500,000 hectolitres capacity annually of beer of not less than 11.5% balling during two hundred and forty (240) production days.

2. SCOPE OF THE CONTRACT:

2.1 The works shall consist of the provision of the complete plant on a turn-key basis with all the necessary site improvements, buildings and building equipment, machinery and equipments as furthermore specified and described in the Schedule to this Contract. The Works shall comprise essentially the following main plant sections —

- A. Pneumatic Malt Conveying and Wet Milling Plant.
- B. Brewhouse
- C. Wort Cooling
- D. Yeast Cellar
- E. Tanks
- F. Beer Filtration and Cooling
- G. Bottling Plant.
- H. Refrigeration Plant
- I. Nil
- J. Boiler Plant
- K. Food Water - Treatment Plant
- L. Air Compressor
- M. Diesel Generators
- N. Water Treatment Plant
- O. Co2 Recovery Plant
- P. Electro - Distribution Switchboard
- Q. Fitting and Pipes
- R. Insulation
- S. Miscellaneous
- T. Workshop
- U. Laboratory Equipment
- V. Spare parts
- W. Spent Grains and Yeast Dryer
- X. Brewery-Main building including Store for raw materials, Warehouse for finished products. Offices for Technical Staff and Big Water Storage Tank of 200 cubic meters at least.
- Y. Adjoining Building
- Z. Gate-house - Site Improvement

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AA. And any other amenities that should be provided for in any modern complex of this nature in any part of the world.

2.2 The works shall also include brewery engineering, architect performance and building supervision including civil mechanical, electrical and quantity surveying and other services as required and fitting and such other services as will lead to the effectual completion of the project on a turn-key basis.

3. CONTRACT PRICE:

3.1 The Contract Price for the work is -

- (a) DM 19,600.000 - (imported part)  
(Deutsche Mark)
- (b) ₦1,900,000 - (local part)  
(Naira)

and is made up as follows:

Item	Payment in DM	Payment in Naira
(i) MACHINERY and EQUIPMENT	13,204.700	—
(ii) TRANSPORT and CLEARING	—	225.000,-
(iii) BUILDING and BUILDING MATERIALS	4,735.300	1,300.000-
(iv) ERECTION and FITTING	960.000-	310.000,-
(v) ENGINEERING SERVICES	700.000	65.000
<b>TOTAL</b>	<b>19,600.000</b>	<b>1,900.000</b>

3.2. The above mentioned price is valid until March 31st 1977 provided that there is a downpayment of 15% of foreign content of the contract to be received by 28th February 1977. Should the Contract not come into effect before this date as stipulated in 18.2, the above mentioned price would be subject to a price revision.

3.3. The Company shall complete the Works within fourteen (14) months but not later than (22) months after the effective date of this Contract by the parties except prevented by any of the happenings in Clause 13.1 of this Contract.

3.4. The Company shall pay for its 10% equity shares or ₦400,000.00 within 3 months after the signing of this Contract. Such payment shall be made in Nigerian Currency.

3.5. The effective date shall be the date this contract is executed.

4. RESPONSIBILITIES AND OBLIGATIONS OF THE COMPANY:

4.1. The price for the Works referred to in Clause 3 shall include:-

- (a) the design of the factory as set out in the Schedule.
- (b) the preparation of a land site of 4.86 hectares (i.e. 12 acres) to be made available by the Breweries in accordance with Clause 14.
- (c) the manufacture and/or procurement of all the required equipment and physical facilities (as more fully detailed in clause 2 and the Schedule save and except the site) including its testing, inspection at manufacturer's plants, packing for export, shipping, comprehensive insurance, clearing, handling and delivery to the factory site and unloading.
- (d) Sources of supply and types of equipments as contained in the Schedule shall not be altered unless after due consultation and agreement in writing with the Breweries.
- (e) The complete erection of the brewery plant, including all necessary civil works within the plant and site boundaries with suitable plant offices and workshops.
- (f) the full engineering and supervision of installation on location by highly qualified technical experts to be assigned during the construction period for the sole purpose of ensuring the erection and completion of the plant and its final handing-over to the Breweries.
- (g) When the general arrangement and drawings of the plant have been finalised but not later than one month before commissioning commences, submission to the Breweries of fully detailed operating and maintenance instruction printed in English to cover the main plant and all associated and ancilliary equipments supplied.

The information provided must include essential flow sheets, circuit diagrams, pipe runs, general arrangement and detailed drawings of installations and equipment and make mention of any special materials used.

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- (h) The provision of services and training of the operation staff to a point that they will be in a position to run the plant after take over. The training of the technical personnel shall be carried out on the site.
- (i) Unless specific arrangements be made to the contrary, the provision of all Company's equipment, repair and haulage necessary to execute and complete the works.  
The Company shall take full responsibility for the care of the works and of all temporary works and in case any damage, loss or injury shall happen to the works or to any part thereof to any temporary works from any cause, it shall at its own cost make good to repair the same so that the completion of the work shall be in good order and completion in conformity in every respect to this Contract.

- 4.2 From the effective date of this contract until the take over date, the Company shall observe the local statutory regulations as advised by the Breweries which shall include any Statutes, Ordinances, Regulations or Byc-Laws of National and Local authorities and which are applicable to permanent and temporary works.
- 4.3 The Breweries or any person authorised by it shall at all times by arrangement with the Company have access to the works and to the site and to all workshops and places where work is being prepared or where materials are manufactured, or articles or machinery are being obtained for the works, and the Company shall afford every facility and assistance to obtain the right to such access.

**5. TERMS OF PAYMENT**

- 5.1 The terms of payment shall be as follows:  
100% against irrevocable, transferrable, devisable letter of credit confirmed by German Bank.  
This letter of credit shall be opened before 31st March 1977 after signing of the contract free-of-charge in favour of beneficiary with sufficient validity time and stating the following payments.  
15% down payment against simple receipt 65% pro rata shipment: against documents  
The shipping documents to be presented by the company shall consist of:  
Clean on board bill of lading, commercial invoices, certificate of origin, itemised packing list and maker's inspection certificate. Each of these documents shall be in five (5) copies. In case shipment to Nigeria ports is delayed shipment to other West African ports is acceptable.  
15% after commissioning of the plant and issuing of the final acceptance certificate, but not later than 24 months after effective date of this contract.  
5% 12 months after the issue of the final acceptance certificate.

- 5.2 For each delivery of equipment the Company shall forward to the Breweries by registered air mail five (5) copies of the shipping documents.
- 5.3 Payment in respect of the amount stated in Clause 3.1 (b) shall be made as follows:  
10% at the signing of this Contract and thereafter,  
15% six months after the signing of this Contract, and thereafter.  
15% quarterly, for the next four (4) payments  
10% 21 months after signing of this Contract or on the issue of the final acceptance certificate whichever is earlier.  
The last payment 5% 12 months after issue of the final acceptance certificate; but not later than 36 months after effective date of this Contract.

**6. DAMAGES FOR DELAY:**

- 6.1. The Company shall as far as it is reasonably possible having regard to the expected causes in Clause 13 hereof construct and complete the Works in 14 months but not later than 22 months from the fulfilment of the conditions of Clause 18 and in accordance with the specifications and drawings included in the Schedule. Should there be any delay in completion of the work except by cause or fault of the Breweries, the Company shall pay the Breweries penalties for any section (as described in Clause 2) causing delay amounting to 1% of the total Contract Price for each week of delay to a maximum of 5% of the Contract price.

**7. MANNER OF EXECUTION:**

- 7.1. The works to be done under this Contract including the plant, machinery and equipment shall be of the respective kinds described in the specification as contained in Clause 2 and the schedule hereto and shall correspond with the latest technological and technical developments in the beer producing industry taking into consideration the special conditions prevailing in Nigerian Brewery industry.
- 7.2. In case of any omission in this Contract and in particular in Clause 2 and the Schedule hereto of anything which obviously should be inferred as being necessary for the proper and efficient completion, operation and use of any part of parts of the works, the Company shall provide the same at its own expense as if it had been more particularly described in this Contract and in particular in Clause 2 and Schedule hereto.

**8. GUARANTEES.**

- 8.1. The Company hereby guarantees as follows:  
(1) All Machinery and equipment to be supplied for the works under this Contract shall be newly manufactured, modern and necessary.  
(2) All machinery and equipment shall be manufactured of high quality materials and with first class workmanship and design and so constructed as to safety and otherwise as to comply with the relevant international rules and regulations and in accordance with the details contained in Clause 2 and the Schedule hereto.

- 328 13
- (3) Except in cases of normal wear, tear and corrosion, accident, lack of maintenance, the Company shall repair or replace free-of-charge equipment or parts of equipment proved to be defective or unservicable as a result of faulty design, or poor workmanship or faulty assembly.
  - (4) The works when in full continuous production, using the raw materials as set out in the Schedule will be capable of producing a high quality and prime beer, including international standard or any internationally known prime beer to be adapted to the taste requirements of the market with the greatest economic advantage within the times set out in the Schedule.
  - (5) Should the capacities not correspond to ninety five percent (95%) of the capacities stated in the Contract and the Schedule for at least 48 hours, the Company shall make the necessary changes in the machinery and the equipment free-of-charge within a reasonable time until the guaranteed capacities are reached.
  - (6) The guarantees stipulated in Clauses 8.1 (1) and (2) of this Contract shall terminate after twelve months from the date of the certificate of acceptance but not later than 42 months from the fulfilment of the conditions of Clause 18. Should equipment manufacturer's warranties be longer than the periods mentioned herein, then such longer periods shall be granted to the Breweries.
  - (7) Should the consumption figures of the whole plant for acceptance tests made prior to the commissioning of the plant overstep by 5% or more than those stipulated in the operations and maintenance manual to be provided in Clause 4.1 (g) the Company shall make the necessary changes in the machinery and equipment free-of-charge within a reasonable time until the guaranteed consumptions are reached.

#### 9. INSURANCE:

- 9.1. The Company shall at its own expense and in the joint names of itself and the Breweries, insure the plant and machinery and keep each part thereof insured for its full value against any loss, damage or destruction by fire, lighting, earthquake, theft, perils of the sea and such other risks from the date of shipment until insurance of the certificate of acceptance and shall from time to time produce the policy and receipts of payment for the premium for the inspection of Breweries. All monies received under any such policy shall be used for the replacement and/or repair of the plant lost, damaged or destroyed, but this provision shall not affect the Company's overall liability under this Contract.
- 9.2. The Company shall indemnify the Breweries until the insurance of the certificate of acceptance against all actions, suits, claims, damages, demands, costs or expenses arising in connection with injuries suffered by persons employed by the Company or by the Company's sub-contractors whether at Common Law or under any Statute in force at the date of the Contract or any subsequent amendments therein dealing with the liability of employers for injuries suffered by employees and shall take out the necessary policy or policies of insurance to effect coverage and indemnification.

#### 10. COMMISSIONING:

- 10.1. The Company shall notify the Breweries by registered air letter at least four weeks in advance of the date on which the commissioning of the works is foreseen to take place.
- 10.2. The Commissioning is intended to ensure that the buildings have been satisfactorily constructed and that installations, equipment and machinery described in Clause 2 and the Schedule hereto have been delivered, fully erected and are in good working order capable of attaining production capacity as contained in Clause 1.
- 10.3. The Breweries shall issue certificate of partial acceptance stating that the different works have been satisfactorily erected.  
The final certificate of acceptance shall be issued by the Breweries by summing up the certificates of partial acceptance stating that the works have been taken over and the commitments of the Company are fulfilled.  
From this moment on the works shall be considered as being commissioned.
- 10.4. If the Breweries has not issued the certificate of final acceptance within 60 (Sixty) days of the Company's trial run and commissioning and the Breweries has not by then submitted a report in writing stating the reason for its refusal to issue the certificate of final acceptance, then in that case the Company shall be entitled to appoint an independent consultant at its own cost who may sign the certificate of final acceptance within the terms of this Contract. In that case, such certificate of final acceptance shall be equivalent to and replace the certificate of final acceptance of the Breweries.

#### 11. TRANSFER OF TITLE OF PROPERTY:

- 11.1. The works, including plants, machinery, equipment, installations and buildings shall become the property of the Breweries when the certificate of final acceptance is issued in accordance with Clauses 10.3 and 10.4.

#### 12. PATENT RIGHTS, ETC.

- 12.1. The Company shall fully indemnify the Breweries against all actions, claims, demands, costs, charges, damages and expenses arising from or incurred by reason of alleged or actual infringement of patent, trademarks, designs, or copyrights protected within Nigeria and arising from the reasonable and intended use of the completed plant project. Such indemnity applies only where the use is for the purpose indicated by or reasonably inferred from the Schedule hereto.

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12.2. In the event of any claims being made or action brought against the Breweries in accordance with clause 12.1, the Breweries shall notify the Company thereof promptly in writing.

### 13. FORCE MAJEURE/LATE COMPLETION:

13.1 Unforeseen events beyond the control of the Company or its sub-contractors, such as general strikes, war, acts of enemies, hostilities, rebellion, revolution, insurrection, military or usurped power (whether war be declared or not) or a cause solely due to civil commotion, Acts of State, epidemics or other unexpected or exceptional causes or Acts of God shall give rise to a reasonable extension of the time for completion of the plant.

13.2 If force majeure continues for more than 180 days each of the parties shall have consultation with each other about the future implementation of this Contract. If the result of consultations is that the Contract must be terminated then the Company shall have the right to charge the Breweries for the costs and expenses it has expended thereto in respect of the Works.

13.3. Should the completion of the works be delayed for any of the following reasons, then Breweries shall grant to the Company such extension of time as may be reasonable in the circumstances for the completion of the works:-

(a) Any extra or additional work of any variations of any kind whatsoever ordered by the Breweries in accordance with the provisions of this contract; or

(b) Adverse physical conditions (other than weather conditions) or artificial obstructions which could not have been reasonably foreseen by an experienced contractor; or

(c) Exceptionally adverse weather conditions; or

(d) Damage to the Work in progress by fire or otherwise, not caused by the default or negligence of any person of whom the Company is responsible under this Contract.

13.4. If during the execution of the work the Company shall encounter physical conditions or artificial obstructions which conditions or obstructions could not have been reasonably foreseen by any experienced contractor the Breweries shall pay the Company the additional expense, if any, arising as a consequence.

Provided the additional expense is vetted and agreed upon by a quantity Surveyor to be appointed by the Breweries. Such expense to be paid by the Breweries in any event shall not be more than ₦20,000.00.

### 14. RESPONSIBILITIES AND OBLIGATIONS OF THE BREWERIES

14.1 The Breweries shall provide the following at its own expense to the Company and at such time that supply erection and commissioning of the plant can be carried out by the Company according to the time Schedule:

(1) Plant site of a suitable location and site free from buildings and other obstacles.

(2) A preliminary analysis of land's suitability such as test borings, soil tests and topographical surveys.

(3) All access roads up to the fence of the construction site.

(4) Connection for water supply, including sanitary water and processing water, electricity to site and up to the fence of construction site. The required quantity will be

Water — 80 m<sup>3</sup>/hr

Electricity — 750 Kwh, 220/380 volts

Discharge of — 200.000 m<sup>3</sup> waster-water p.a.

(5) Assistance for the provisional storage of equipment, if storage outside the fence is necessary.

(6) Supply in sufficient quantity and quality of all necessary production raw materials for the production programme for the final acceptance tests before commissioning as per a list of materials and qualities to be supplied by the Company 6 (Six) months prior to commissioning and of electric current, fuel, lubrication and water at the site of the plant during the term of the Contract.

(7) The Company will apply for the necessary working permits for their foreign personnel and the Breweries will give necessary assistance as far as possible.

(8) The Company will apply for permission for duty-free entry and repatriation from Nigeria of equipment and tools required for the erection and start up of the plant, and for personal effects of the foreign personnel and their families, and the Breweries will give necessary assistance as far as possible.

### 15. SECRECY

15.1 Specifications, drawings, technical documents and know-how handed over to the Breweries by the Company are and shall remain the property of the Company. The Breweries shall keep them secret from persons outside the Breweries. The right of use exclusively limited to the subject of the Contract.

### 16. SUB-CONTRACTING, TRANSFER AND ASSIGNMENT

16.1 The Company shall notify the Breweries in writing of the names of any major-sub-contractors and in the event of the Breweries raising any objection, the Company shall give due consideration to such objection.

16.2 The Company is entitled to cooperate with other firms and sub-contractors of its choice in the execution of this contract and to transfer on the Breweries' permission the obligations of this Contract totally or partially to other Companies.

16.3 The Company shall select the most experienced and up-to-date manufacturers in field of brewery plants, and the Company's general responsibility towards the Breweries shall remain unchanged.

16.4 The Contract shall not be transferred or assigned without the prior written approval of the parties hereto.

### 17. APPLICABLE LAW/ARBITRATION

17.1 All disputes, controversies, or differences which may arise between the parties in connection with this Contract shall be settled amicably. Should the parties not come to an amicable settlement, any dispute between the parties hereto as to the interpretation or meaning of any clause of this

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Contract, or any other controversy in connection therewith, as well as any controversy of whatever nature arising between the parties hereto, in connection with the provisions of the Contract, shall be submitted to an arbitration committee. The arbitration Committee shall be composed of three members, one to be selected, by the Breweries, a second to be selected by the Company, and the third to be selected by the two arbitrators so appointed by the parties. It is agreed and understood that the third member shall be neither a Nigerian nor a German national. Each party shall appoint their arbitrator within 4 weeks after receipt of a written notice from either party. The third member shall be appointed within 4 weeks thereafter and if the parties cannot agree on the third arbitrator, the same will be appointed by the International Chamber of Commerce in Paris. The same applies if any of the two parties fails to appoint its own arbitrator within the allotted time. Arbitration shall be held in Switzerland and Nigerian law shall apply to this contract in all respects.

**18. EFFECTIVENESS OF CONTRACT**

18.1 This Contract shall come into force on the date of being signed by both parties.

18.2 This Contract will become effective after the obligations stated below have been fulfilled by the contracting parties:-

- (1) By receipt of the confirmed Letter of Credit in accordance with clause 5.1. Nothing in this Clause shall affect the period of construction; which is 14 months but not later than 22 months.
- (2) By receipt of the down-payment of 10% of Local payment as per clause 5.3. into a bank account in Nigeria, named by the Company.

If the Breweries and/or the Company are not successful in meeting the conditions mentioned under 18.1 and 18.2. by March 31st 1977, further extension of the Contract requires the consent of the Company with regard to possible price changes in the market.

**19. CONSEQUENTIAL DAMAGES**

19.1 No party shall be entitled to claims exceeding those stipulated in this Contract. All further claims, especially claims for indirect or consequential damages shall be excluded.

**20. NOTICES**

20.1 Any notice required to be given herein shall be deemed to have been sufficiently given to either party for all the purposes hereof if given by telex or cable and confirmed by registered airmail, postage-pre-paid, and addressed as follows:-

TO THE BREWERIES: International Breweries Ltd.,  
Akure Road, P. O. Box 104,  
Ilesha, Oyo State,  
Nigeria.

TO THE COMPANY: Haase-Brauerei G.M.B.H.  
Borgweg 15a  
D-2000 Hamburg 60  
Federal Republic of Germany.

Or to such address as either party shall designate by notice given as herein required. Notices shall be effective within 14 days of mailing.

21.1 The Company shall take all possible care to provide the best possible technical management for the project.

**22. ALTERATIONS**

22.1 Any alteration of this Contract is valid only if accepted in writing by both parties.

**23. SCHEDULE**

23.1 The entire Report entitled 'REPORT OF THE WORKS' dated 19th day of November 1976 as amended containing the details of the work and the TECHNICAL MANAGEMENT CONTRACT form an intergral part of this Contract and are hereto attached as Annexures.

24. The language to be held applicable in cases of interpretation where or when a dispute arises is ENGLISH LANGUAGE.

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AS WITNESS the hands of the duly authorized representatives of the parties hereto the day and year first above written.

The Common Seal of the within named INTERNATIONAL BREWERIES LIMITED was duly affixed to these presents

In the presence of:—

*[Handwritten Signature]*  
.....  
Director

*[Handwritten Signature]*  
.....  
Director

The Common Seal of the within named HAASE-BRAUEREI G.M.B.H. was duly affixed to these presents

In the presence of:—

*[Handwritten Signature]*  
.....  
Director

*[Handwritten Signature]*  
.....  
Director

HAASE-BRAUEREI G.M.B.H.

HAASE-BRAUEREI G.M.B.H.

ARCHIVES OF OYSAC

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INTERNATIONAL BREWERIES LIMITED,

ILESHA.

BOARD OF DIRECTORS

**DECISION EXTRACTS**

THIRD Meeting of 1976 held on WEDNESDAY 22nd DECEMBER, 1976.

Subject : ALLOTMENT OF SHARES.

Board Paper No. IBL ( ) File Reference : 063/s.1

By Chairman

Decision No. 5 (76) 3

It was RESOLVED

That

(b) 2,800,000 Ordinary Shares of ₦1.00 each  
BE and ARE hereby ALLOTTED as follows:

(i) Odu'a Investment Company Limited	400,000	shares
(ii) HAASE-BRAUEREI G.M.B.H.	400,000	"
(iii) Nigerian Bank for Commerce and Industry	500,000	"
(iv) Nigerian Industrial Development Bank	500,000	"
(v) Oyo State Investment and Credit Corporation	1,000,000	"

(c) a call on the shares BE and IS hereby made  
and that holders of such shares BE requested  
to pay the same forthwith.

Certified true copy

  
(ISHOLA FARORE)

12/1/77

ACTION BY : OYICC ✓  
NIDB  
NBGI  
ODU'A  
BRAUHAASE

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OYO STATE INVESTMENT AND CREDIT CORPORATION

INTERNATIONAL BREWERIES LIMITED

REPORT OF AN INSPECTION VISIT TO BEER BENIN BREWERIES IN LOME, TOGO

Introduction

The International Breweries Limited is a project being promoted by a group of Ijesha indiginies for the purpose of Brewing beer. The project was conceived about four years ago. The original technical partners were the Heninger International of Western Germany who had set up a similar plant in Bendel State. Heninger International were to be responsible for the technical aspect of the Brewery and had infact, submitted specifications for the plant and machinery of an initial capacity of 210,000 hectolitres of beer per annum. (that is three hundred million cartons of beer per annum) This group however dropped out of the negotiations probably because of inability or unwillingness to meet the attendant financial obligations of the venture. On the advice of the Nigerian Industrial Development Bank, the promoters had discussions with six other technical partners as a result of which Messrs Brauhaase of Holland were chosen as the most suitable.

2. On the establishment of the Oyo State Investment and Credit Corporation, the Corporation decided to seek participation in the venture. Negotiations were promptly entered into with the promoters of the venture and other prospective share-holders as a result of which the following financing plan was agreed upon:-

	<u>Percentage</u>	<u>Equity</u>	<u>Loan</u>
		#	#
Promoters	25%	1,020,000	-
OYSICC	25%	1,000,000	600,000
N. B. C. I.	15%	600,000	2,500,000
N. I. D. B.	15%	600,000	2,500,000
O'dua Investment Co. Ltd.	10%	400,000	400,000
Brauhaase	<u>10%</u>	<u>400,000</u>	<u>-</u>
Sub-Total	<u>100%</u>	<u>4,020,000</u>	<u>6,000,000</u>
Working Capital		-	<u>1,500,000</u>
Grand Total			<u><u>₦11,500,000</u></u>

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3. The Board of the Corporation at its meeting held in September, 1976 sanctioned an equity investment of ₦1,000,000 and a long term loan of ₦600,000 in the project. Because of the magnitude of the Corporation's investment and loan in the project, and in view of the fact that it is the first investment decision to be taken by the Corporation, management felt it essential that a visit to one of Brauhaase's functioning breweries situate in Lome, in the Republic of Togo be visited for an assessment of its performance before final arrangements are concluded. Consequently, by a letter dated 29th September, 1976 approval was sought from the Office of the Military Governor to allow Messrs E. A. Egbedeyi and M. A. Adetoye, General Manager and Deputy Controller of Industrial Operations respectively to undertake the trip to Lome. This approval was granted by the Office of the Military Governor. On Monday, 15th November, 1976, both Messrs Egbedeyi and Adetoye together with Mr. Isola Farore, the Management Executive of International Breweries Limited left for Lome for the inspection visit. The visit was taken in good faith by Messrs Brauhaase who not only sent one of their officials to accompany us to Lagos but also made adequate arrangements for the officials of the brewery to meet us at the Lome airport. Because it was past noon before we arrived Lome, it was decided that the inspection of the brewery should take place on Tuesday, 16th November, 1976.

4. On Tuesday, 16th November, 1976 an inspection of the brewery was undertaken during which time, the following facts were gathered:-

a. Name of Brewery

Because the brewery is sited in a French speaking Country, it has a French name which is Brasserie du Benin the English equivalent of which is Beer Benin, Incidentally, unlike in Nigeria, this brewery is the only one in the whole of the Republic of Togo. This is due to the smallness of the Country and the fact that the brewery can cope with the Country's demand.

b. Products of the brewery

The brewery produces both beer and soft drinks viz:-

- i. Lager beer - 66 and 33 centimetre bottles;
- ii. Pils de luxe " " " " " "

- iii. Alt Muinchen - 66 and 33 centimetre bottles;
- iv. Boxer Stout - " " " " "
- v. Sparkling Lemonade
- vi. Soda Tonic
- vii. Bitter Lemon and
- viii. Malter Benin

c. Owners of the Brewery

The brewery is owned as follows:-

The Government of the Republic of Togo	25%
A para-statal organisation like OYSICC	15%
Schualtheiss (including Brauhaase)	35%
Merz (a private person)	<u>25%</u>
	<u>100%</u>

The technical partners are Messrs Brauhaase of Holland who are not only the technical partners in the new brewery at Uyo Rivers State and Offa in the Kwara State but are also technical partners and consultants to other breweries in Africa and the Middle East. They are brewery specialists.

d. Equipment Suppliers

Messrs Brauhaase as technical partners and consultants are not in the real sense machine peddlers - However, because of their long experience in the brewery business and their long connection with machine suppliers, they know firms in Holland and Western Germany which can supply the best equipment. It is the policy of Messrs Brauhaase to give a list of machine suppliers and prices to project promoters to enable them later choose from whatever source they consider suitable, Messrs Brauhaase are however willing to help in the purchase of equipments if asked to do so by the promoters. The important thing, however, is that machine supply is not made a condition precedent to their technical and equity participation in any project. In the case of the brewery visited at Lome, the equipments were supplied by various firms from both Western Germany and Holland. These firms were also the erectors of the machines. The inference here is that suppliers of machinery and equipment to International Breweries Limited would also be the erectors.

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e. Designed and Actual Outputs

When the Lome brewery was commissioned in 1966, it achieved a production target of 30,000 hectolitres per annum. Since then, the brewery has been expanded and as at December 1975, it produced 200,000 hectolitres of beer and 45,000 hectolitres of soft drinks. We discovered that the machines which Brauhaase helped to supply to the brewery are new machines of the standard type and their efficiency is as high as 98%.

f. Operating characteristics of the Machines

From inquiry, it was found out that the machines do not suffer from frequent breakdowns. Any breakdown at all has in the past been due to electricity failure which is limited to only two times a year at most. However, the brewery has three high - powered standby generating plants which are sparingly used because of regular supply of power from Akosombo dam in Ghana. Overhauling of the machines takes place once a year during which there is a slack period in production. Otherwise, production is normal throughout the year. The brewery also does not suffer from lack of spare parts as the technical partners ensure that there is a regular supply of spare parts from suppliers. Moreover Spare parts are ordered well in advance of requirement to make allowance for any delay that may arise from shipment. Brewery output is also increased or reduced to meet market fluctuations. Because the brewery caters mainly for local market production is strictly on demand and the factory has facilities for two days' production storages. Importation of beer is very minimal.

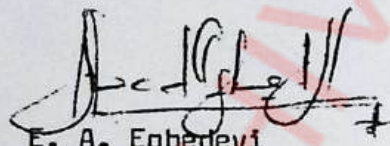
g. Future Expansion Programme

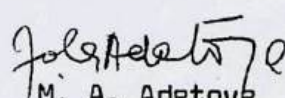
The Lome brewery in its expansion programme, plans to go from two to three shifts. It is also planning to establish a branch of the brewery in the northern part of Togo where there is an ample supply of water which form's a large percentage of beer and soft drinks brewing. This is intended to double the capacity of the existing plant. The Company has also changed from Card board to plastic crates which are handy and more durable. The brewery also gives employment to about 280 workers out of which regrettably only one Togolese is in the

management position. This is not expected to happen in Nigeria for it is the policy of the Federal Military Government that companies should have a systematic training Scheme for Nigerians to enable them take over the management of such companies to give concrete effect to the Government's indegenisation decree.

5. Conclusion

The visit has afforded us to see at first hand, an existing brewery with which the proposed technical partners in International Breweries Limited are connected. The efficiency of their machines is impressive and their technical personnel have demonstrated the required competence, dedication and expertise required for the establishment of the proposed brewery at Ilesha. We are convinced that our investment in the brewery with Messrs Brauhaase as technical partners will yield very good returns. We therefore recommend that the Corporation should go ahead to make its equity investment of #1,000,000 and a long-term loan of #600,000 in International Breweries Limited.

  
E. A. Egbedeyi  
General Manager  
Oyo State Inv. & Credit Corporation  
22/11/76

  
M. A. Adetoye  
Deputy Controller of Ind. Operations

ARC

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S.M.G. & H.S.

Via Sec. (SD), *11/2*

*11/2*

I respectfully invite your attention to the letter at pages 1 - 2 in which the General Manager, Investment and Credit Corporation of Oyo State put up a request for the release of a sum of ₦1,075,000 to his Corporation so that it could buy equity shares <sup>and provide a long-term loan</sup> in a new company - the International Breweries Limited. Following the negotiations undertaken by the promoters of the brewery and other prospective shareholders, it was agreed that the equity investment of the I.C.C.O.S. in the Company should be ₦1 million which - as shown vide X at page 1 - is 25% of the total anticipated investments of the Company. It was also agreed that the I.C.C.O.S. should also grant the new Company a loan of ₦600,000 out of a total loan of ₦7.5 million needed by the Company.

2. I should mention that the I.C.C.O.S. had earlier approached the Ministry of Finance and Economic Development for a grant of ₦1,075,000 so that it could invest in the new Company. The reaction of the Ministry of Finance and Economic Development to the request is summed up in the letter at page 5 in which it was indicated that :-

- (i) the Ministry of Finance and Econ. Dev. and the I.C.C.O.S. had agreed that funds would be made available to the Corporation for investments in new projects, as and when required, after feasibility studies on the projects had been carried out and investments plans for them mapped out;
- (ii) the Executive Council had also decided that such funds would be made available by Government only after it had become clear that no financial institution was willing to finance the investments;
- (iii) the papers submitted by the Corporation to the Ministry did not include feasibility studies on the project;

- 24 339
- (iv) the statement on the shareholding pattern revealed that the ratio of loan to equity would be .65 : .35 in view of the fact that out of the Company's total capital of ₦11,520,000, ₦7,500,000 would be loan while ₦4,020,000 would be equity;
  - (v) at least a summary of the feasibility study on the project which would contain the cash flow as well as profitability projections should be made available to the Ministry before a decision could be taken as to whether or not funds should be released to the Corporation for the proposed investments;
  - (vi) the Ministry supported the proposed investment, in principle, in view of the fact that a brewery project had tremendous chances of being a huge success.

3. In his reply <sup>at pp 3-4</sup> to the letter at page 5 which is paraphrased in the preceding paragraph, the GM, I.C.C.O.S. stated that :-

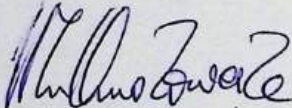
- (i) the Ministry of Finance and his Corporation had earlier agreed on the importance of industrialising the State as it was felt that the State was bereft of viable industrial projects;
- (ii) the recent decision of the Executive Council that funds would be made available only after it had become clear that no financial institution was willing to finance the investment should not apply to the investment in International Breweries Limited since there had been a firm commitment on the part of his Corporation before that decision was taken;
- (iii) it was doubtful whether any financial institution could assist his Corporation which was not started with an initial capital;

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- (iv) a feasibility study was conducted on the project (he forwarded a copy of the feasibility study to the Ministry under cover of his letter being examined);
- (v) if the working capital was deducted from the loan, the ratio of loan to equity would be 1.49 : 1;
- (vi) the projected cash flow on page 14 of the feasibility report showed a healthy steady growth of debt service coverage;
- (vii) on the basis of the projected profit and loss statement and cash flow the project would be able to service all loans conveniently;
- (viii) the project would provide employment opportunities for the people in the locality thus minimising drift to urban areas in search of employment.

4. The GM has now claimed in paragraph 6 of his letter at pages 1 - 2 that following the examination of the project's feasibility study by the Ministry of Finance and the discussions held with that Ministry, his Corporation was advised to approach this Office for final approval to release the funds. In view of the fact that the feasibility study conducted on the project showed that it would be a very viable project, I wish to recommend for approval that an Exco Memo, in which approval would be sought for the granting of a sum of ₦1,075,000 to the Corporation, should be submitted to the Executive Council for consideration. I have therefore submitted, at back cover, a draft Exco Memo on this subject matter for your consideration. I feel that it is not necessary to clear the Exco Memo with the Ministry of Finance and Economic Development in view of the fact that the Ministry had expressed its support <sup>in principle</sup> for the project in the letter at page 5 of this file.

ad. 11/2


  
(E. O. Omobowale),  
Prin. Sec. (SC)

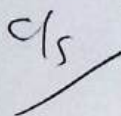
11 Feb. 1977.

P.T.O


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5. It is unfortunate there is no record of the support of the project by the Ministry of Finance in all the documents forwarded to this office. This is the only reason why para 2 in the draft Etlo memo ~~is~~ necessary at all to show a balanced view of the proposal. Ideally, the Ministry of Finance should have had the benefit of seeing the memo before Etlo, but in view of the urgency, this cannot be reasonably done now. I hope the Commissioner for Finance will be persuaded to support the memo all the same.

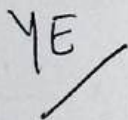
  
11/2

  
c/s

M. repair memo at bc, as amended.

  
T. A. AKINYELE

11/2/77

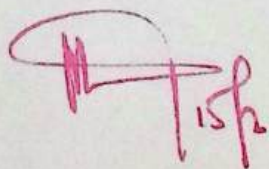
  
YE

The memo at bc, seeking the release of funds to the Investment & Credit Corporation for investment in the International Breweries Ltd is submitted for YSB consideration and initialling, if approved please.

  
T. A. AKINYELE

14/2/77

Seen.

  
15/2

~~27~~  
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f. <sup>Atulagh</sup>  
Principal Secretary (C. D.)  
16/2/77

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S E C R E T

THIS DOCUMENT IS THE PROPERTY OF THE EXECUTIVE  
COUNCIL OF THE OYO STATE OF NIGERIA.

M.G.(77)

February, 1977

COPY NO.

EXECUTIVE COUNCIL: OYO STATE OF NIGERIA

The release of funds to the Investment and Credit  
Corporation of Oyo State for Investments in the  
International Breweries Limited

Memorandum by His Excellency, the Military Governor

The Investment and Credit Corporation of Oyo State which came into existence after the creation of three States out of the former Western State inherited no viable industrial projects from the appropriate defunct Western State Statutory Corporations. The Corporation is now trying to build from scratch a strong industrial base for Oyo State. In pursuance of this objective the Corporation has now negotiated with the promoters of a new brewery project in Ilesha and other prospective shareholders of the Company so that it can invest in the new Company known as International Breweries Limited. It has now been agreed, as shown in the second paragraph of Annexure I to this Memorandum, that the equity investment of the Corporation in the Company should be ₦1,000,000 which is 25% of the total anticipated investments of the Company and that the Corporation should also grant the Company a loan of ₦600,000 out of a total loan of ₦7.5 million needed by the Company.

2. Following the firm decision of the Company to call up share subscriptions, the General Manager of the Investment and Credit Corporation of Oyo State requested the Ministry of Finance and Economic Development to release a sum of ₦1,075,000 to his Corporation so that it could invest in the Company. The immediate reaction of the Ministry of Finance to that request is summed up in the letter attached as Annexure II to this Memorandum in which it was indicated

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inter alia that :-

- (i) the Executive Council had decided that funds would be made available by Government to Corporations for investment only after it had become clear that no financial institution was willing to finance the investments;
- (ii) the papers submitted to the Ministry of Finance and Economic Development by the Corporation did not include feasibility studies on the project;
- (iii) the statement on the shareholding pattern revealed that the ratio of loan to equity would be .65 : .35 in view of the fact that out of the Company's total capital of ₦11,520,000, ₦7,500,000 would be loan while ₦4,020,000 would be equity;
- (iv) at least a summary of the feasibility study on the project which would contain the cash flow as well as profitability projections should be made available to the Ministry before a decision could be taken as to whether or not funds should be released to the Corporation for the proposed investments;
- (v) the Ministry of Finance and Economic Development supported the proposed investment, in principle, in view of the fact that a brewery project had tremendous chances of being a huge success.

3. The General Manager has now forwarded a copy of the feasibility study on the project to the Ministry of Finance and Economic Development. In a bid to buttress his demand for the release of the said sum of ₦1,075,000 to his Corporation, the General Manager stated in his letter, which is attached as Annexure III to this Memorandum, that :-


- (i) the Ministry of Finance and Economic Development had earlier agreed on the importance of industrialising the State as it was felt that the State was bereft of viable industrial projects;

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- (ii) it was doubtful whether any financial institution could assist his Corporation which was not started with an initial capital;
  - (iii) on the basis of the projected profit and loss statement and cash flow as indicated in the feasibility study, the project would be able to service all loans conveniently;
  - (iv) the project would provide employment opportunities for the people in the locality thus minimising drift to urban centres in search of employment.
4. There is every reason to believe that the project will be a huge success in view of the fact that the demand for beer in Nigeria far outstrips supply. This view has been confirmed by the feasibility study conducted on the project. In view of the fact that the Ministry of Finance has supported the Project in principle and considering the pressure being exerted on the Corporation to obviate the possibility of its losing the venture it has not been considered necessary to clear this Memorandum with that Ministry.

5. Council is accordingly invited to approve :-

- (i) that the Investment and Credit Corporation of Oyo State should invest a sum of ₦1,000,000 in the International Breweries Limited and that it should also grant the International Breweries Limited a loan of ₦600,000;
- and (ii) that the Ministry of Finance and Economic Development should release a sum of ₦1,075,000 to the Corporation so that it could invest in the new project as indicated in paragraph 5(i) above.

  
(Intld.) D.M.J.  
Military Governor,  
Oyo State.

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S E C R E T

THIS DOCUMENT IS THE PROPERTY OF THE EXECUTIVE  
COUNCIL OF THE OYO STATE OF NIGERIA

M.G.(77)27

COPY NO: 14

15th February, 1977

EXECUTIVE COUNCIL: OYO STATE OF NIGERIA

The release of funds to the Investment and Credit  
Corporation of Oyo State for Investments in the  
International Breweries Limited

Memorandum by His Excellency the Military Governor

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2. Following the firm decision of the Company to call up share subscriptions, the General Manager of the Investment and Credit Corporation of Oyo State requested the Ministry of Finance and Economic Development to release a sum of ₦1,075,000 to his Corporation so that it could invest in the Company. The immediate reaction of the Ministry of Finance to that request is summed up in the letter attached as Annexure II to this Memorandum in which it was indicated inter alia that :-

...2/.

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- (i) the Executive Council had decided that funds would be made available by Government to Corporations for investment only after it had become clear that no financial institution was willing to finance the investments;
- (ii) the papers submitted to the Ministry of Finance and Economic Development by the Corporation did not include feasibility studies on the project;
- (iii) the statement on the shareholding pattern revealed that the ratio of loan to equity would be .65 : .35 in view of the fact that out of the Company's total capital of \$11,520,000, \$7,500,000 would be loan while \$4,020,000 would be equity;
- (iv) at least a summary of the feasibility study on the project which would contain the cash flow as well as profitability projections should be made available to the Ministry before a decision could be taken as to whether or not funds should be released to the Corporation for the proposed investments;
- (v) the Ministry of Finance and Economic Development supported the proposed investment, in principle, in view of the fact that a brewery project had tremendous chances of being a huge success.

3. The General Manager has now forwarded a copy of the feasibility study on the project to the Ministry of Finance and Economic Development. In a bid to buttress his demand for the release of the said sum of \$1,075,000 to his Corporation, the General Manager stated in his letter, which is attached as Annexure III to this Memorandum, that :-

- (i) the Ministry of Finance and Economic Development had earlier agreed on the importance of industrialising the State as it was felt that the State was bereft of viable industrial projects;

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- (ii) it was doubtful whether any financial institution could assist his Corporation which was not started with an initial capital;
  - (iii) on the basis of the projected profit and loss statement and cash flow as indicated in the feasibility study, the project would be able to service all loans conveniently;
  - (iv) the project would provide employment opportunities for the people in the locality thus minimising drift to urban centres in search of employment.
4. There is every reason to believe that the project will be a huge success in view of the fact that the demand for beer in Nigeria far outstrips supply. This view has been confirmed by the feasibility study conducted on the project. In view of the fact that the Ministry of Finance has supported the Project in principle and considering the pressure being exerted on the Corporation to obviate the possibility of its losing the venture it has not been considered necessary to clear this Memorandum with that Ministry.

5. Council is accordingly invited to approve :-

- (i) that the Investment and Credit Corporation of Oyo State should invest a sum of ₦1,000,000 in the International Breweries Limited and that it should also grant the International Breweries Limited a loan of ₦600,000;
- and(ii) that the Ministry of Finance and Economic Development should release a sum of ₦1,075,000 to the Corporation so that it could invest in the new project as indicated in paragraph 5(i) above.

(Intld.) D. M. J.  
Military Governor,  
Oyo State.

Office of the Military Governor,  
Agodi,  
Ibadan.

15th February, 1977.

(File SP/C.201/T/ )

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ANNEXTURE I

OYO STATE INVESTMENT AND CREDIT CORPORATION,

OUR REF: I/C.2/79

7th February, 1977.

The Secretary to the Military Government  
and Head of Service,  
Office of the Military Governor,  
Agodi,  
Ibadan.

International Breweries Limited

The International Breweries Limited is a project being promoted by a group of Nigerians of Oyo State origin for the purpose of Brewing beer. The project was conceived about four years ago. The original technical partners were the Heninger International of Western Germany who had set up a similar plant in Bendal State. Heninger International were to be responsible for the technical aspect of the brewery and had in fact submitted specifications for the plant and machinery of an initial capacity of 210,000 hectolitres of beer per annum, that is, three hundred million cartons per annum. This group, however, dropped out of the negotiations probably because of inability or unwillingness to meet the attendant financial obligations of the venture. On the advice of the Nigerian Industrial Development Bank Limited, the promoters had discussions with six other technical partners as a result of which Messrs. Brauhasse of Holland were chosen as the most suitable.

2. On the establishment of the Oyo State Investment and Credit Corporation, the management of the Corporation, on the directive of the Board, decided to seek participation in the venture. Negotiations were promptly entered into with the promoters of the brewery and other prospective Shareholders as a result of which the following financing plan was agreed upon:-

	<u>Percentage</u>	<u>Equity</u>	<u>Loan</u>
Promoters	25%	1,020,000	-
OYSICC	25%	1,000,000	600,000
N. B. C. I.	15%	600,000	2,500,000
N. I. D. B.	15%	600,000	2,500,000
O'dua Invest. Co. Ltd.	10%	400,000	400,000
Brauhasse	<u>10%</u>	<u>400,000</u>	<u>-</u>
Sub-Total	<u>100%</u>	<u>4,020,000</u>	<u>6,000,000</u>
Working Capital			≡ <u>1,500,000</u>
Grand Total			<u><u>≡ N11,500,000</u></u>

3. The Board of the Corporation at its meeting held in September, 1976, sanctioned an equity investment of ₦1,000,000 and a long-term loan of ₦600,000 in the project. Because of the magnitude of the Corporation's investment and loan in the project, and in view of the fact that it is the first investment decision to be taken by the Corporation, management felt it essential that a visit to Brauthasse's functioning breweries, situate in Lome, in the Republic of Togo be undertaken for an assessment of its performance before final arrangements are concluded. Consequently, approval was sought from the Office of the Military Governor to allow both the General Manager and the Controller of Industrial Operations to undertake a trip to Lome. The report of the visit had since been sent to the Office of the Military Governor and a copy is also attached herewith for ease of reference.
4. After an exhaustive discussion of the purchase, erection and installation contract by all shareholders in the Company, the agreement was signed in the Board room of the Corporation on 17th December, 1976 by both the promoters and the technical partners. A photocopy of the Agreement is herewith attached.
5. Towards the end of December, 1976, the Board of International Breweries Limited passed a resolution allotting shares to prospective shareholders in the Company and calling for the shares to be subscribed immediately. A photocopy of the resolution is also attached herewith.
6. The Corporation provided for a sum of ₦1,075,000 in the 1976/77 budget as the first part of our investment in this project, this was subsequently approved by the Executive Council. The Executive Council however directed that each application for release of funds for capital investment should receive their approval. When the International Brewery therefore called for payment of shares, the Corporation applied to the Ministry of Finance for a release of this sum. The Ministry of Finance examined the whole issue and called for further explanations and also examined the feasibility studies on the project. After this and as a result of discussions held with the Ministry of Finance, we were advised to approach the Office of the Military Governor for final approval to release the necessary funds. Copies of relevant correspondence are attached herewith. Apart from the fact that there has been a 'call up' for the payment of shares, we observe from recent events that efforts are being made by other interested bodies to either edge this Corporation out of the business or reduce the Corporation's standing to that of a minor.
7. In view of the above, it would be greatly appreciated if the approval of His Excellency could be obtained to release the money and necessary covering approval of the Executive Council obtained later.

(Sgd.) E. A. Egbedeyi,  
General Manager.

CONFIDENTIALMINISTRY OF FINANCE AND ECONOMIC DEVELOPMENT  
EXPENDITURE DIVISION  
IBADAN

Our Ref. No. EST.A2/2/77-78

12 January, 1977

The General Manager,  
Oyo State Investment and Credit  
Corporation,  
Cocoa House,  
Ibadan.

Application for the Release of Funds for  
Investments in International Breweries Limited

With reference to your letter No. I/C.2/33 of 25th November, 1976, I am directed to recall that it was agreed between this Ministry and your Corporation that funds would be made available for investments in new projects, as and when required, after feasibility studies on the projects have been carried out and investment plans for them mapped out. The Executive Council has also just decided that such funds would be made available by Government only after it has become clear that no financial institution is willing to finance the investments. It is necessary therefore for you to state clearly why the funds now required for your investment in International Breweries Limited cannot be obtained from sources other than Government.

2. More important than the foregoing is the question of feasibility studies on the proposed project. The attachment to your letter is a report of a visit by a 3-man team to a Brauhasse brewery in Lome, Togo, as part of the effort to set up the beer and soft drink plant in the State. Part of the attachment also shows the proposed shareholding pattern. The document is, however, not a suitable substitute for the feasibility study on the proposed project. The statement on the shareholding pattern shows, for example, that of the total capital requirement of ₦11,520,000, ₦7,500,000 would be loan while ₦4,020,000 would be equity. This means that the ratio of loan to equity is .65 : .35. It seems obvious that with this kind of loan-equity relationship a disproportionately large part of the Company's earnings would have to be devoted to loan servicing. In that case unless it can be shown that the company's earning capacity would be such that it can cope with the loan situation and still leave a comfortable margin for both dividends and reserves (for re-investment) the proposed investments may not be worthwhile. To convince this Ministry, and ultimately Government, to agree to provide funds for the proposed investments, therefore, it would be necessary to make available at least a summary of the feasibility study on the project which would contain the cash flow as well as profitability projections.

3. When the issues raised above have been dealt with it would be easy to consider more meaningfully your request for release of funds. Meanwhile I am to express support, in principle, for the proposed investment, having regard, especially, to the fact that at this point in time in this country, a brewery project has tremendous chances of being a huge success.

(Sgd.) F. O. Abiona,  
for Permanent Secretary.

I/C.2/60

17th January, 1977.

The Permanent Secretary,  
Ministry of Finance and Economic Development,  
Expenditure Division,  
Secretariat,  
Ibadan.

For the attention of Mr. Abiona

Application for the Balance of Funds for  
Investments in International Breweries Ltd.

I write to acknowledge receipt of your letter No. EST A2/2/77-78 of 12th January, 1977 and to comment as follows:-

As a result of an earlier agreement and understanding between your Ministry and this Corporation on the importance of industrialising the State which we all agree is berefit of viable industrial projects after the creation of three States, negotiations were promptly entered into between the promoters of International Breweries Limited and this Corporation with a view to taking up equity and loan participation in the project. All along, the negotiations were conducted against the background that your Ministry, as and when required. The recent decision of the Executive Council that funds will be made available only after it has become clear that no financial institution is willing to finance such investment should not apply to the investment in International Breweries Limited since there has been a firm commitment on the part of this Corporation before the Council's decision. Moreover, provision for this investment was made in the 1976/77 Budget. It should be realised however, that this Corporation did not start with a vesting grant and it is doubtful whether any financial instruction can assist a Corporation such as ours which was not started with an initial capital.

2. It is pertinent to mention that before the recent decision of the State's Executive Council, the Corporation had already started to make approaches to the financial institutions in the country for loans for further investments. These negotiations will no doubt affect majority of the projects which are now being studied by consultants, while resuscitation of projects like the Premier Tobacco Company and the Lafia Canning Factory will also be included. It is hoped that the State Government would readily guarantee these loans. It is also hoped that the law establishing the Corporation would have been gazetted by the time negotiations are concluded as Bankers are asking for this vital instrument.

3. On the feasibility studies of the proposed project, it is regretted that a copy was not forwarded with our letter under reference. A copy of the feasibility study as well as a photocopy of the Purchase, Erection and Installation contract is now enclosed herewith. The feasibility study was appraised by both the Nigerian Industrial, Development Bank, the Nigerian Bank of Commerce and Industries, the defunct Western State Industrial Investment and credit Corporation which has been succeeded by O'dua Investment Company Limited and ourselves as prospective Shareholders and we all come to the conclusion that the project is viable. Apart from this contact has been made with the Oyo State Water Corporation intimating it that the project would require about 5.5 million gallons of water annually and pleading with it to anticipate this requirement and reflect it in its operations. In addition to electricity supply by the National Electric Power Authority to the project site provision has been made for the installation of one standby diesel generating set to cope with the factory load in case of NEPA power outage.

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4. Regarding the ratio of loan to equity which appears high, it is to be pointed out that if the working capital is deducted from the loan side, the ratio is about 1.49: 1 which is within acceptable investment standards. However, the projected cash flow on page 14 of the feasibility report shows a healthy steady growth of debt service coverage. The returns are considered very encouraging. With a steady market and a low break even point for the company, the seeming degree of financial risk in the project at the level of debt equity ratio of 1: 1.87 is still quite safe. From the appraisal carried out on the project, both the technical and, financial estimates, which are relatively comparable, indicate that the project is viable. On the basis of the projected profit and loss statement and cash flow, the project will be able to service all loans conveniently, other things being equal. The project in addition will provide employment opportunities for the people in locality thus minimising drift to urban centres in search of employment.

5. On the 17th of December, 1976, the Purchase Agreement between the Technical Partners and the promoters was signed in the Board Room of the Corporation. Its attempt to play a leadership role in the promotion of the project. Shortly after the signing of the agreement, a call was made on all shareholders to subscribe their equity.

6. In view of the explanations above, and in view of the fact that a firm commitment had already been made by the Corporation in respect of its investment in International Breweries Limited before the recent Executive Council's decision, it shall be appreciated if you will agree to release the sum of ₦1,075,000 which forms part of the funds this Corporation intends to invest in the project both as equity and long term loan. The balance of the funds required is being provided for in the 1977/78 budget which will shortly be placed before the State Government for approval.

E. A. Egbedeyi,  
General Manager.

ARCHIVE



PUBLIC SERVICE REVIEW IMPLEMENTATION SECRETARIAT  
 MINISTRY OF ESTABLISHMENTS AND TRAINING  
 IBADAN - WESTERN STATE OF NIGERIA

Your Ref. No.....  
 All communications should be  
 addressed to the Head of the Public  
 Service Review Implementation  
 Secretariat  
 Our Ref. No.....

MSR/49/14



Date 10<sup>th</sup> February, 1977

The Secretary to the Military Government  
 and Head of Service,  
 Office of the Military Governor,  
 Ibadan.

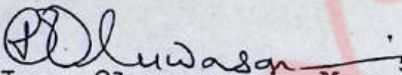
(For the attention of Mr. E.O. Omobowale)

Organisation Structure for Investments  
 and Credit Corporation,  
 Oyo State

I am directed to refer to a letter No.A/C.169/33 of 14th September, 1976 which was addressed to the Secretary to the Military Government and Head of Service by the General Manager of this State's Investments and Credit Corporation and endorsed to the Permanent Secretary, Ministry of Establishments and Training and to request you kindly to forward a copy of your letter No.SP/C.201/156 of 8th September, 1976 which was referred to by the General Manager in his letter under reference, for record purpose and necessary guidance at this end.


2. As you are aware, the General Manager of the Corporation has addressed a letter No.A/C.169/90 of 2nd instant to the Secretary to the Military Government and Head of Service and endorsed same to the Permanent Secretary, Ministry of Establishments and Training, requesting for a review of the Organisation Structure, etc., of the Corporation. It will be necessary for us at this end to have a copy of your letter mentioned at paragraph 1 above

and also to get confirmation from you as to whether or not Annexure I to the Second (Revised) Report on the Corporation's Staff Structure, forwarded to you under the cover of this Ministry's letter No.E.193/120 of 24th August, 1976, is the current approved organisation structure for the Corporation.

  
(Jane Oluwasanmi, Mrs.),  
for Permanent Secretary.

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Pl. enclose in the appropriate  
file and resubmit.

  
10/2/77

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4. Regarding the ratio of loan to equity which appears high, it is to be pointed out that if the working capital is deducted from the loan side, the ratio is about 1.49: 1 which is within acceptable investment standards. However, the projected cash flow on page 14 of the feasibility report shows a healthy steady growth of debt service coverage. The returns are considered very encouraging. With a steady market and a low break even point for the company, the seeming degree of financial risk in the project at the level of debt equity ratio of 1: 1.87 is still quite safe. From the appraisal carried out on the project, both the technical and, financial estimates, which are relatively comparable, indicate that the project is viable. On the basis of the projected profit and loss statement and cash flow, the project will be able to service all loans conveniently, other things being equal. The project in addition will provide employment opportunities for the people in locality thus minimising drift to urban centres in search of employment.

5. On the 17th of December, 1976, the Purchase Agreement between the Technical Partners and the promoters was signed in the Board Room of the Corporation. Its attempt to play a leadership role in the promotion of the project. Shortly after the signing of the agreement, a call was made on all shareholders to subscribe their equity.

6. In view of the explanations above, and in view of the fact that a firm commitment had already been made by the Corporation in respect of its investment in International Breweries Limited before the recent Executive Council's decision, it shall be appreciated if you will agree to release the sum of ₦1,075,000 which forms part of the funds this Corporation intends to invest in the project both as equity and long term loan. The balance of the funds required is being provided for in the 1977/78 budget which will shortly be placed before the State Government for approval.

E. A. Egbedeyi,  
General Manager.

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# OYO STATE INVESTMENT AND CREDIT CORPORATION

(A STATUTORY ORGANISATION OF THE OYO STATE GOVERNMENT)

FLOORS 17-19 COCOA HOUSE, PRIVATE MAIL BAG 5085, IBADAN. TEL: 62810 - 2

OUR REF: AG.1/1A/24

TELEX NO. 31122 A1. CORP. NG.

YOUR REF:

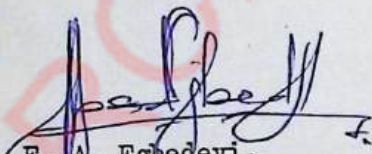
TELEGRAMS/CABLES: OYSICCO IBADAN

11th February, 1977

Secretary to the Military Government  
and Head of Service,  
Office of the Military Governor,  
Agodi,  
I b a d a n.

## Establishment of Commercial Oil Palm Project Oyo State

P.5-6  
Further to our recent discussion - Onajide/Egbedeyi - I send herewith a copy of our letter AG.1/1A/21 of 20th January, 1977. A reply on the issue of authorising the Ministry of Agriculture and Natural Resources to allow the soil investigation team of the Corporation and the Consultants to enter the forest reserve area for the purpose of soil examination and stream survey is urgently required as the consultants who have been commissioned to carry out the studies within specified period are pressing for this authority. The Ministry should be made to know that the authority to enter and carry out such survey does not mean acquisition, as the question of deforestation of the forest reserves or acquisition of the land around there could only come in after proper studies by the consultants, and due appraisal by the Corporation. It would be appreciated if we could get a reply to this request before Friday, the 18th February, 1977 when the consultants are expected in our office for further discussions.

  
E. A. Egbedeyi,  
General Manager.

P.S. (SC),

Press examination

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CO.1/1A/21

26th January,

77

The Secretary to the Military Government  
and Head of Service,  
Governor's Office,  
Secretariat,  
Ibadan.

Establishment of Commercial Oil Palm  
Projects, Oyo State

Following the State Implementation Committee Decision that Agricultural projects previously managed by the old Western State Agricultural Investment Corporation should become the property of the States in which they were sited most of the Plantations of the old W.S.A.I.C. went to Ogun and Ondo States. In fact no oil palm project is in Oyo State. Palm Oil is now being purchased for sale by the Oyo State Investment and Credit Corporation from Ogun and Ondo States. It is not considered as desirable in the long run to rely absolutely on other States for supply of palm oil if oil palm can be economically established in Oyo State.

2. A feasibility study has recently been commissioned on the establishment of two 8,000 hectare Oil Palm Plantation Projects in Oyo State. The oil palm belt of the old Western State covers the tract of land stretching from Southern Ife through Ibadan South covering both the Ife and Ago-Owa Forest Reserves. In these areas are sited two Farm Settlement Schemes - Ile-Ife and Ago-Owa Farm Settlement Schemes both with some 3,600 hectare of land.

3. It is expected that part of the Forest Reserves around the two Farm Settlement Schemes and land which local people have shown willingness to offer in the area would make up the land required for the two oil palm projects. The two sites proposed for the Plantations are:-


- (a) Ago-Owa Farm Settlement Scheme land in the area promised by local people and Ago-Owa Forest Reserve.
- (b) Ile-Ife Farm Settlement Scheme land in the area around Oyere/Aborishade and the Ife Forest Reserve.

Some 10,000 hectare (25,000 acres) of land would be required for each of the two projects.

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It will therefore be appreciated if:

- (i) The State Government could be agreeable to the de-forestation of the two forest reserves for purpose of palm oil establishment in Oyo State.
  - (ii) Authorise the Ministry of Agric. and Natural Resources to allow the Soil Investigation Team of this Corporation and the Consultant studying the feasibility of the project to have free access into both Forest Reserves for purpose of soil examination and stream survey, and test.
4. It is considered that oil palm planting can commence in June, 1979 if it is possible to have the suitable land for use before end of August, 1977. The land Investigation Team of the Corporation will move in for necessary survey immediately the Ministry of Agriculture and Natural Resources gives the green light.
5. It will be highly appreciated if this could be given top priority.

  
E. A. Egbesayi,  
General Manager.

ARCHIVES OF OYO STATE

SP/C.201/T2/7

14 February, 1977

The Permanent Secretary,  
Ministry of Agriculture and  
Natural Resources,  
Ibadan.

Establishment of Commercial Oil Palm Project:  
Oyo State

61-2

I am directed to forward, herewith, the photostat copy of a letter addressed to me by the General Manager of the Investment and Credit Corporation of Oyo State and to seek your views on the proposals made in the letter.

2. I am to add that it will be appreciated if you can, please, make your views available within one week from the date of this letter so that budgetary provisions could be made for the proposals.

(E. O. Omobowale),  
Secretary to the Military  
Government and Head of Service.



Sec P. 9

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# OYO STATE INVESTMENT AND CREDIT CORPORATION

(A STATUTORY ORGANISATION OF THE OYO STATE GOVERNMENT)

FLOORS 17-19 COCOA HOUSE, PRIVATE MAIL BAG 5085, IBADAN. TEL: 62810 - 2

OUR REF: SEC.L.47/15

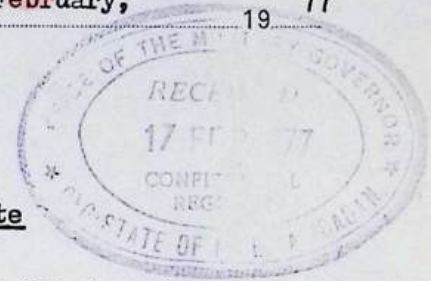
TELEX NO. 31122 A1. CORP. NG.

YOUR REF:

TELEGRAMS/CABLES: OYSICCO IBADAN

Secretary to the Military Government  
and Head of Service,  
Office of the Military Governor,  
Agodi,  
I b a d a n.

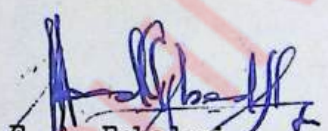
15th February, 1977



## Investment outside Oyo State

This Corporation is being approached by Estate Agents for investments in real estate outside Oyo State; there has also been a brief dialogue with another State Corporation on possible co-operation on Industrial Investment which may not necessarily be located in Oyo State. Since the edict establishing this Corporation is not yet published, and in view of importance of time to business transactions, it would be highly appreciated if we could be advised on the policy of the State Government with regard to:

- (a) Investment in real Estate outside the State;
- (b) Investment in Industrial venture by equity participation or on loan basis outside Oyo State.

  
E. A. Egbedeyi,  
General Manager.

Sec. (S.C.)

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PS(SC),

Please examine from P. 311

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MINUTES OF THE MEETING HELD BY THE SECRETARY, SPECIAL DUTIES WITH THE REPRESENTATIVES OF THE MINISTRY OF AGRICULTURE AND NATURAL RESOURCES, MINISTRY OF FINANCE AND ECONOMIC DEVELOPMENT, LIVESTOCK PROJECT UNIT, INVESTMENT AND CREDIT CORPORATION OF OYO STATE AND ODU'A INVESTMENT HOLDING COMPANY LIMITED ON THURSDAY 17TH FEBRUARY, 1977.

PRESENT:

- 1. Mr. M. O. Onajide Secretary, Statutory Corporation Office of the Military Governor (Chairman).
  - 2. Mr. A. A. Babalola Deputy Project Manager, Livestock Project Unit (Federal Livestock-Dept.) P.M.B. 5340 Ibadan.
  - 3. Mr. O. O. Buraimo Deputy Agricultural Officer (L/S) Ministry of Agriculture and Natural Resources
  - 4. Mr. I. A. Aromolaran Ministry of Finance and Economic Development.
  - 5. Mr. Adeyinka Togun Investment and Credit Corporation Oyo State.
  - 6. Mr. V. A. Odunaiya Odu'a Investment Holding Company Limited.
  - 7. Mr. E. O. Omobowale Principal Secretary, Statutory Corporations, Office of the Military Governor.
- In Attendance Mr. E. A. Osundiran Assistant Secretary, Statutory Corporations, Office of the Military Governor

1. The meeting which took place in the Office of the Secretary, Statutory Corporations, started at about 10.40 a.m. The Chairman inquired from Mr. Odunaiya, the official representing the Odu'a Investment Holding Company why the Western Livestock Company had not been in operation. He explained that although the Company had been legally established, the Board of the Company would hold its inaugural meeting on Friday 18th February, 1977 and that after the meeting, it was his hope that both the Board and the Company would come into operation. He added that the immediate take-over of Upper Ogun Ranch would be one of the points to be discussed at the inaugural meeting of the Board.

See 1-465

2. The Chairman then disclosed that the problem to be tackled at the meeting was how to get funds to sustain the Upper Ogun Cattle Ranch until its formal take-over by the Western Livestock Company. He recalled that in one of the letters written to the General Manager of Oyo State Investment and Credit Corporation, the Ministry of Agriculture and Natural Resources had indicated its willingness to take-over the Management of the Ranch if the Corporation was not financially competent to do so and that the reaction of the Corporation to that offer was that it would not be proper for the running of the Ranch to pass over to the Ministry of Agriculture and Natural Resources. At this juncture, the Chairman asked Mr. Odunaiya whether Odu'a Investment Holding Company could provide funds to meet the urgent needs of the Ranch. Replying, he (Mr. Odunaiya) said that the Odu'a Investment Holding Company would certainly release money for the running of the Ranch if it became necessary to do so.

The Chairman then said that the main concern of the secretary to the Military Government and Head of Service was that sources from which the Ranch could be financed before its take-over by the Western Livestock Company should be identified. Mr. Odunaiya expressed the hope that the problem would be solved by the Board of the Western Livestock Company at its inaugural meeting coming up the following day.

3. Mr. O. O. Buraimo, an official of the Ministry of Agriculture and Natural Resources, spoke on the request made by the Oyo State Investment and Credit Corporation to sell some animals as a source of getting funds to run the Ranch, pending the time the Western Livestock Company would be in full control. He said that the Ministry of Agriculture and Natural Resources was opposed to the request and that the Ministry advised the Corporation to keep proper accounts of all the equipment, machinery and other expenses made since it took over the Management of the Ranch in October, 1975 as the expenses incurred would be refunded by the Management of the Western Livestock Company.

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Mr. Odunaiya then remarked that insufficiency of capital was not the only problem confronting the Ranch as the Ranch was also facing the problem of shortage of staff which he hoped the Board of the company would be able to solve very soon.

2 | 4. Mr. O. O. Buraimoh then asked the Chairman to peruse a letter which was addressed to the Permanent Secretary Ministry of Agriculture and Natural Resources by the Director of Livestock Project Unit Kaduna. The Director requested in the letter that money should be provided for the execution of certain projects in the Ranch which should be done before the onset of the rainy season. The Chairman then asked for further contributions of those present on how the financial needs of the Ranch could be met very soon. Mr. A. A. Babalola responded by saying that the financial difficulties facing the Ranch would be solved immediately after the inauguration of the Board of the Livestock Company very soon.

A | 5. At this stage, Mr. Adeyinka Togun, an official representing Oyo State Investment and Credit Corporation came in. The Chairman briefed him on the points so far discussed in his absence. Mr. Togun said that no urgent financial assistance was needed by the Ranch. On the sale of animals, he said that the Corporation proposed to do so as a last resort, although sale of certain animals was an integral part of running a Ranch. To him, the animals especially (Heifer and - Breeding Bulls) being very scarce should not be disposed off otherwise the Ranch would be ruined.

6. Mr. Babalola then asked from Mr. Aromolaran representing the Ministry of Finance and Economic Development whether the sum of about ₦3 million which was to be the former Western State's equity share in the Western Livestock Company had been paid. He replied that he was not sure but promised to find out. The Chairman added that all he knew was that the Ministry of Finance and Economic Development was still keeping a joint account on behalf of Oyo, Ondo and Ogun States and that the question of release of funds should not pose any problem in view of Government guarantee and the involvement of the World Bank in the Project.

7. The Chairman then summed up the discussion by expressing the view that since the Board of the Western Livestock Company would hold its inaugural meeting on Friday 18th February, 1977 and the Company was expected to take off soon to fulfil all its obligations, there was no longer any urgent need to look for funds from any other source for the Management of the Ranch. It was also decided that the Oyo State Investment and Credit Corporation which had been superintending the affairs of the Ranch should report back to the Secretary to the Military Government and Head of Service if the Western Livestock Company could not take-off immediately.

The meeting was brought to an end at about 11.25 a.m.

ARCHIVES OF OYO STATE

~~35~~  
356<sup>LE</sup>

S.M.G. & H.S.

Via Sec. (SD) ~~23~~ 23/2

In compliance with the directive given vide your minute at page 24, a meeting was held with the representatives of the M.A.N.R., the Livestock Company and the I.C.C.O.S. on Thursday 17th February, 1977 in an attempt to find a solution to the financial problems facing the Upper Ogun Cattle Ranch pending the time that the Livestock Company would take over the Ranch. The minutes of the meeting can be found at pages 31 - 34 of this file.

2. It was disclosed at the meeting that the Board of the Livestock Company would hold its inaugural meeting on Friday 18th February, 1977 and that the immediate take-over of the Upper Ogun Cattle Ranch would be one of the points to be discussed at the inaugural meeting. Mr. V. A. Odunaiya one of those who represented the Livestock Company at the meeting was quite confident that the financial problem facing the Upper Ogun Cattle Ranch would be solved by the Board of the Livestock Company at its inaugural meeting. Mr. Togun who represented the I.C.C.O.S. at the meeting also disclosed that no urgent financial assistance was needed by the Upper Ogun Cattle Ranch.

3. Having regard to the trend of discussion at the meeting, it was agreed as recorded in paragraph 7 of the minutes of the meeting at pages 31 - 34 that there was no longer any urgent need to look for funds from any other source for the management of the Ranch and that the I.C.C.O.S. should report back to the S.M.G. & H.S. if the Livestock Company could not take off immediately.

4. In the light of the foregoing, I wish to recommend for approval that :-

- (i) both the P.S., Min. of Agric. & Natural Resources and the GM, I.C.C.O.S. should be formally informed about the outcome of the aforementioned meeting;

(ii) they should also be informed that the Status quo should be maintained as far as the management of the ranch is concerned in view of the fact that the Livestock Company would soon take over the ranch.

*E. O. Omobowale*  
(E. O. Omobowale),  
Prin. Sec. (SC)

23 Feb. 1977.


ARCHIVES OF OYSCAG

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356F

Thank you for your minute on pp. 35 - 36. The unfortunate thing is that the fate of the Upper Ogun Cattle Ranch has been kept in the balance since October 1975 when the idea of the establishment of the Western State Livestock Company came into the scene while up till now nobody is in a position to appreciate the dilemma in which the project has been placed. It is revealing that the Representative of Odu'a Investment Company did not know that the ranch need money to be released to it (vide X p.32) while the I.C.C.O.S. had already made proposals to sell some of the animals to keep others alive (vide Y p.32). Z p.33 seems to suggest that those who are sponsoring the new company are even not yet ready to put money into it. While I am prepared to entertain hope as in A p.33, I am not sure that reliance is not being placed on the posture likely to be taken by the Ministry of Finance and Economic Development as indicated in para. 6, p.33. That Ministry, as far as I know, is not yet in a position to reconcile exactly the final state of the affairs of the Joint Account of the three States.

2. I should like to mention however that a new development has occurred in the matter following the indication given in confidence by His Excellency, the Military Governor that not much effort is being made to abide by the decision that the Akunnu Cattle Ranch in Ondo State should be treated in the same manner as the Upper Ogun Cattle Ranch, that is, that it should be taken over by the Western State Livestock Company. In fact, there is indication that the Ministry of Agriculture and Natural Resources of that State is already treating the Akunnu Ranch, at least part of it, like its own departmental project. In the circumstance, His Excellency has already directed me to let my colleagues in the other States know that unless positive action is taken to establish the new company urgently, to fund the Upper Ogun Cattle Ranch adequately and to ensure that all the Ranches earmarked to be taken over by the new company are so


allowed to be taken over, the Oyo State Government would like the Upper Ogun Cattle Ranch revert to its original owner, the I.C.C.O.S. I have already issued letters to my colleagues on this matter. Our best approach in the circumstance is to await their reactions.

  
(T.A. Akinyele),  
S.M.G. & H.S.

26<sup>th</sup> February, 1977.

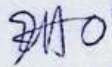
AS(sc)

Read file from  
page 35 and thereafter  
keep file in view  
for further developments  
on the Upper Ogun  
Cattle Ranch.

  
28/2/77

CR

Dispose of the file.

  
28/3/77

319  
356 i

SP/C.201/319

22 February, 1977

The Permanent Secretary,  
Ministry of Establishment & Training  
(Public Service Review Implementation  
Secretariat),  
Ibadan.

(For the Personal Attention of Mrs. Jane Oluwasanmi)

Organisation Structure for the Investment and Credit  
Corporation of Oyo State

P 316

P 156

With reference to your letter No. MSR/49/14 of 10th February, 1977, I am directed to forward herewith the photostat copy of a letter No. SP/C.201/156 of 8th September, 1976 and to inform you that the Organisation Structure approved for the Investment and Credit Corporation of Oyo State was the one proposed vide Annexure I of the Second (Revised) Report on the Corporation's Staff Structure which was forwarded to this Office under cover of your letter No. E.193/120 of 24th August, 1976.

P 311

2. I have also been requested to inform you that it will be appreciated if you can let us have the benefit of your expert advice on the demand of the General Manager of the Corporation for a review of his Corporation's Organisation Structure as spelt out in a letter No. A/C.169/90 of 2nd February, 1977, a copy of which was forwarded to you.

(E. O. Omobowale),  
for Secretary to the Military  
Government and Head of Service.



CONFIDENTIAL

AR

CR  
K.I.V for replies  
to the letter at  
pages - 307 - 308 which was  
addressed to the Secretaries  
to the Military Governments and  
Heads of Services for Ondo  
and Ogun States.

Bu. 2 wks ✓  
7 or 22/2


22/2

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U.S.(S.I.C.),

His Excellency the Military Governor has directed that the position of the Upper Ogun Cattle Ranch should be reviewed by re-opening the issue which was deliberated upon by the States Implementation Committee with my other colleagues in Ondo and Ogun States. The position to be taken is that either the Upper Ogun Ranch should stay with the Investment and Credit Corporation of Oyo State or that the Akunnu Ranch should also be treated in the same way as the Upper Ogun Ranch by being left with the Western State Livestock Company Limited.

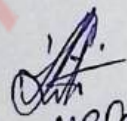
2. Will you kindly look into the various records of S.I.C. on the matter and connect with recent correspondence received from the Investment and Credit Corporation of Oyo State in the matter and put up a draft memorandum to be addressed by me ~~and~~<sup>to</sup> my colleagues.

  
(T. A. Akinyele),  
S.M.G. & H.S.,  
16/2/77.

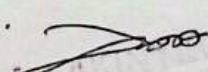
S.M.G. & H.S.

Two minute above pl.

2. I respectfully submit draft of the Memo. on Upper Ogun Cattle Ranch abc. for your kind consideration pl.

  
US(SIC).  
21/2/77

US(SIC)

Pl. speak. 

21/2/77.

2  
35 PK  
SMG & H.S.

Two minute o'leaf pl.

2. I now respectfully submit abc.,  
draft letter to Ondo and Ogun States  
on the management of Upper Ogun Cattle  
Ranch pl.

A  
US(SIC)  
24/2/77

ARCHIVES OF OYO STATE

3  
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CONFIDENTIAL

SP/C.201/T/3

26<sup>th</sup> February, 1977

Mr. A.A.K. Degun,  
Secretary to the Military Government  
and Head of Service,  
Office of the Military Governor,  
Abeokuta.

Mr. T.A. Iwajomo,  
Secretary to the Military Government  
and Head of Service,  
Office of the Military Governor,  
Akure.

Upper Ogun Cattle Ranch: Management of

At its meeting held on 16th July, 1976, the States Implementation Committee directed that Upper Ogun Cattle Ranch formerly owned by the Western State Agricultural Investment Corporation should be transferred to Western Livestock Company instead of, as in the case of all the other agricultural projects, reverting to Oyo State Government in whose area of jurisdiction it is located. In spite of the decision of the States Implementation Committee on this issue however, the Western Livestock Company has not started operation up till now. Consequently, there has not been any identifiable source of fund for the management of Upper Ogun Cattle Ranch since the time the Western State Agricultural Investment Corporation was dissolved. Indeed, the decision of the States Implementation Committee on this matter has created a vacuum resulting in lack of sense of direction at the ranch.

2. In desperation, and in order to prevent a deterioration of the ranch, the Oyo State Investment and Credit Corporation which has continued to provide funds for the running of the ranch, sought permission to sell some of the animals at the ranch as a means of raising funds for its running. This request was turned down because it was felt that apart from other factors, Oyo State alone cannot consider the request. The fact that the request has to be made however demonstrates clearly the ranch's dire need and unless steps are immediately taken to give it a sense of direction, it may deteriorate. So bad was the situation that at a stage, Oyo State Ministry of Agriculture and Natural Resources, seeing the financial difficulties being experienced by the Oyo State Investment and Credit Corporation on the ranch, also proposed to take over the management of the ranch temporarily, pending the take off of the Western Livestock Company.


See P. 402 2/.....

See P. 441

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357A

3. Apart from the financial difficulties highlighted above, Upper Ogun Cattle Ranch was the only fully developed ranch being passed to the Western Livestock Company. It is however considered a matter of shrewd business practice to ensure that the Company's investments are widely spread rather than being concentrated on a single ranch which in any case was already fully developed.

4. The issues have recently engaged the attention of His Excellency the Military Governor of Oyo State who has taken keen interest in the affairs of the ranch and after considering all the angles to the matter, His Excellency has directed me to inform you that Akunnu Cattle Ranch should also be treated in the same way as the Upper Ogun Cattle Ranch has been treated; that is, it should be effectively passed to Western Livestock Company or in the alternative, Upper Ogun Cattle Ranch should revert to Oyo State Investment and Credit Corporation.

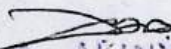
  
(T.A. Akinyele),  
Secretary to the Military Government  
and Head of Service.



CONFIDENTIAL

CR

BV 1 mth.  
✓

  
T. A. AKINYELE

28/2/77.

ARCHIVES OF OYO



# OYO STATE INVESTMENT AND CREDIT CORPORATION

(A STATUTORY ORGANISATION OF THE OYO STATE GOVERNMENT)

FLOORS 17-19 COCOA HOUSE, PRIVATE MAIL BAG 5085, IBADAN. TEL: 62810 - 2

OUR REF: S.I/43

TELEX NO. 21122 A1. CORP. NG.

YOUR REF:

TELEGRAMS/CABLES: OYSICCO IBADAN

18th February, 1977

Secretary to the Military Government  
and Head of Service,  
Office of the Military Governor,  
Agodi,  
Ibadan.

## Consultancy Contract with N.I.J.A.L.

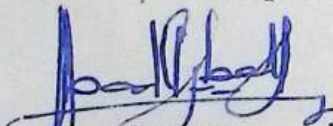
In reply to your letter SP/C.201/T3/36 of 16th February, 1977, the following are the circumstances regarding the Consultancy Contract agreement entered into with Nigerian Joint Agency Limited.

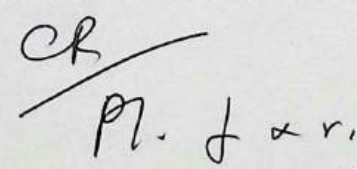
We have a contract with N.I.J.A.L. to carry out comprehensive studies on the establishment of two 8,000 hectares each of Oil Palm Plantation at a total cost of ₦45,000 for the two plantations. Before arriving at this decision, the following actions were taken:-

- P. 36
- (i) A short write-up (Appendix I) was sent to four Consultants who were selected from a team of Consultants who had applied to the Corporation.
- P. 43
- (ii) The four Consultants replied and an analysis of the assessment of their offers is attached at appendix II. From the records available to the Corporation, we concluded as follows on each firm of Consultants:-
- (a) SOTESA:- The firm has necessary competence for studies in tree crops but none in particular on palm oil. They could however be considered if in the absolute no other firm was available.
- (b) ITAL CONSULT:- The firm appeared competent but apart from very high quotation, some of their antics during the submission of their quotation were not in line with the moral expectation of the Corporation. They were therefore not considered.
- (c) SAHARA - SAFARI:- Even though the consultant quoted rather low, he has no experience along this line of business. He has only just left the University of Ibadan where he was a Lecturer.
- (d) N.I.J.A.L.:- The firm possesses ample experience along this line of business and was adjudged the most competent to carry out the work. Their quotation of ₦60,000 was reduced to ₦45,000 after serious negotiation.

P. 44-5

It will be seen from the above that the Consultancy was awarded to NIJAL after a thorough analysis. A copy of the letter of Commission sent to them is attached as Appendix III, this reveals that they are expected to be very detailed in their investigations and report. This Corporation places great importance on the establishment of Palm Oil Plantation in the State, this is responsible for quick actions on this and other areas of priority.

  
E. A. Egbodeyi,  
General Manager.

  
T. A. AKINYELE 25/2/77

APPENDIX 1A

App 1A

328  
359  
38  
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OYO STATE INVESTMENT AND CREDIT CORPORATION

29th October, 1976

CONSULTANCY SERVICE REQUIREMENT  
Feasibility Studies - Agricultural Projects

Dear Sir,

I submit herewith a short write-up on project planned for study and eventual execution by the Investment and Credit Corporation of Oyo State. You are invited as Consultant to study the submission and submit your proposals for carrying out the assignment. You should let us have proof of capacity for the job and previous experience or involvement in similar studies.

2. You should let us, as soon as possible, know your fees for carrying out the study and the time within which final report will be submitted. You should feel free to call on the General Manager of the Corporation for discussion or elaboration on points which you consider not clear enough in the write-up.

I remain,  
Yours faithfully,

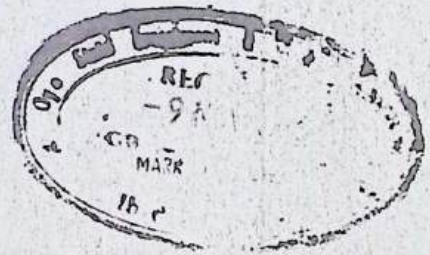
Sahara - Safari Farm & Feeds Ltd.,  
P. O. Box 502,  
Ilorin.

*[Signature]*  
for General Manager

Centre for Agricultural & Rural Development,  
Department of Agricultural Economics,  
University of Ibadan,  
Ibadan.

Ireconsult - Alecon Associations,  
38, Herbert Macaulay Street,  
Ebute-Metta,  
Lagos.

Nigerian Joint Agency Limited,  
52, Warehouse Road Apapa,  
Lagos.



NB: Please, reports to be submitted not later than 20th November, 1976.

APP 1B . APPENDIX  
37 1B  
360 39  
322

OYO STATE INVESTMENT AND CREDIT CORPORATION

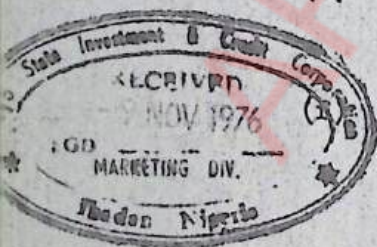
CONSULTANCY SERVICE REQUIREMENT

ESTABLISHMENT OF OIL PALM PROJECT

The areas in Oyo State which lies approximately between longitudes  $3^{\circ} 15'$  and  $4^{\circ} 30'$  East and between latitude  $7^{\circ} . 00'$  and  $7^{\circ} 20'$  North appear suitable for oil palm development. The bulk of the area lie within the oil palm belt of the old Western State of Nigeria. The Ministry of Agriculture and Natural Resources, Oyo State have two farm settlement schemes with planted oil palm of some 400 hectare each. One is at Ago-Owu (Ibadan) Division and the other at Oyere/Aborishade (Ife) Division. The study of oil palm development in Oyo State will take cognisance of these two schemes and examine the possibility of using them as nucleus estates which can be extended. It is proposed to have two 8,000 oil palm plantations of about 8,000 hectare each. Proposals from Consultants should cover the following areas .

- (a) Whether it is advisable to have these two 8,000 hectares of oil-palm together making use of one mill or to have them in different locations each having its own mill. This would be based on sound economic analysis.
- (b) The planting programme, (which should not be more than 15 years) together with sources of planting materials and nursery requirements.
- (c) How far we can substitute manual labour with machinery in the light of acute shortage of farm labour, while the establishment of a suitable legume cover is desirable.
- (d) Yield per hectare of fresh fruit bunches (FFB)
- (e) Compute quantities of farm inputs, like fertilizers, spraying chemicals etc., required annually.

The Report should also highlight the performance and the type of mill which would be installed. Cost of mill should also include cost of erection and payment offers to the Manufacturers or their accredited local agents.



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- (g) It should show the break-even period of the project, amount of financing required, basic cost and Revenue projections.
- (h) The study so prepared should be such that will generate a Benefit-Cost Ratio (BCR) greater than unity and an Internal Rate of Returns (IRR) that will attract loan from financial Institutions.

2. Results of feasibility studies should show internal Rates of Return which is acceptable to finance houses. Consultants should indicate the time final reports will be submitted. The fees to be charged also should be indicated.

ARCHIVES OF OYSG

324 41  
38  
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OYO STATE INVESTMENT AND CREDIT CORPORATION

CONSULTANCY SERVICE REQUIREMENT

CATTLE RANCHES FOR BEEF AND DAIRY

The Oyo State has a wide range of soil types. It has extensive Savannah land adjoining the Savannah of the Northern State. It also has many streams and rivers, many of these are perennial in nature which can be dammed as reliable sources of water supply for livestock development. It is intended to develop Oyo State into an important sources of meat supply and the aim is to develop ten ranches for beef in various suitable localities of the State. The dairy farms will however be considered around urban areas.

2. Ranches for beef and dairy are proposed for the tract of land which runs across Okeho, Shaki, Oyo, Iseyin, Iwo, Ejigbo, Oshogbo, Ogbomosho, Ikirun and Ila Orangun. A feasibility study of this should include :-

- (a) The most ideal breed for Dairy and Beef Production in the humid tropics with special attention to the efficiency of feed utilisation, ease of acquisition, adaptability, reproductive, efficiency, mothering ability, temperament and parameters of growth.
- (b) The optimum size of each ranch (both Beef and Dairy) with particular reference to stocking density, area of land needed, buildings, equipments, vehicles and machinery.
- (c) The best system of Management of the herd with particular emphasis on the various operations on the Bull, Dam, Heifers and Steers to improve both calving rate and milk production.
- (d) Establishment of improved pastures which are adequate for the number of animals and investment in water facilities especially in the dry season and for the Dairy.
- (e) The study should also show the type of milking parlour suitable for the dairy now being proposed as well as identifying market potentials for beef, milk and dairy

263  
42  
~~325~~

products and the best marketing arrangements for these products.

- (f) The study should also include personnel and technicians desirable as well as spare-parts needed to maximise returns from the processing facilities.
- (g) The study should show the break-even period of the project, cost and revenue projections, assessment of plant and vehicle requirements, the Benefit Cost Ratio and the Internal Rate of Return to the Capital employed.

3. Results of feasibility studies should show internal Rates of Return which is acceptable to finance houses. Consultants should indicate the time final reports will be submitted. The fees to be charged be indicated.

ARCHIVES

ESTABLISHMENT OF OIL PALM PROJECT

NO.	CONSULTANTS	ADEQUACY OF AREA TO BE COVERED BY PROPOSED STUDY	DURATION OF STUDY	ASSESSMENT OF TECHNICAL COMPETENCE	FEES CHARGED	PAYMENT TERMS	REMARKS
1.	NIGERIAN JOINT AGENCY LIMITED	ADEQUATE	NOT INDICATED TO BE ASCERTAINED	VERY GOOD	₦60,000	50% Mobilisation fee 25% Submission of Report 25% Three Months Later	Has previous experience
2.	SAHARA & SAFARI FARM FEEDS LTD.	ADEQUATE BUT PREVIOUS PRACTICAL EXPERIENCE IN DOUBT	12 weeks	GOOD	₦19,700	Not Indicated	No Previous Experience
3.	ITALCONSULT	ADEQUATE	24 weeks	GOOD	₦150,000 EXCLUDING TRANSPORT FEES IN NIGERIA	Not Indicated	Previous Experience not indicated
4.	SOCIETA' TECNICA PER LO SVILUPPO AGRICOLA (SO. TE. SA.)	adequate	not indicated	GOOD	₦45,000	NOT INDICATED	Previous Experience not indicated

Handwritten notes and signatures at the bottom right of the page, including the number '43' and other illegible markings.

Appendix III  
44  
~~327~~  
365  
21st January, 1977

A/C.48/Vol.2/128

The Nigerian Joint Agency Limited,  
52 Warehouse Road,  
Apapa,  
Lagos.

Dear Sir,

Feasibility Studies of the  
Proposed Oil-Palm Plantations  
LETTER OF COMMISSION

Further to our letter Ref. A/C.48/Vol.2/81 and the discussion you had with our General Manager, I am pleased to inform you that the Board of Directors of this Corporation has considered your proposals and quotations and has decided to commission you for the study of the proposed oil-palm plantations.

2. To ensure that the study is tailored to meet the Corporation's needs, the following terms of reference become necessary:-

- (a) Whether it is advisable to have two 8,000 hectares Oil-Palm Plantations with both making use of one mill or each having its own mill. This would be based on sound economic analysis.
- (b) The Planting Programme (which should not be more than 15 years) together with sources of planting materials and nursery requirements.
- (c) How far we can substitute manual labour with machinery in the light of acute shortage of farm labour, while establishment of suitable legume cover is desirable.
- (d) Compute quantities of farm inputs like fertilizers, spraying chemicals etc. required annually throughout the life of the plantation.
- (e) Estimation of the total capital cost and the operating costs for a processing mill with emphasis on the performances of the type of mill. This should include cost of erection etc., and a breakdown into local and foreign currencies. It should also show a complete maintenance of spare-parts.
- (f) Yield per hectare of Fresh Fruit Bunches (FFB) streamlining the optimum capacity of the processing mill to be purchased with crop husbandry practices that ensure adequate supply of the annual requirements of raw materials necessary to feed the mill to an economic optimum.
- (g) Analysis of the potential market for palm-oil, palm kernel and cake i.e. and Demand prospects.
- (h) Employment opportunities, future project output, overall Agricultural income and industrial section income.
- (i) It should also show the break-even period of the project, amount of financing required, basic cost and revenue projections.
- (j) Benefit-Costs Analysis, Internal Rate of Returns and Sensitivity Tests in such a way as to take into account possible changes in economic variables.

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~~328~~  
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- (k) Economic and Social impact of the identified investment possibilities particularly from the point of view of the economy.
- (l) In all the above, consideration should be given to the following sequence of events and operations.
  - (i) Felling for first planting in 1979 to commence in 1977 with combination of chain saws for smaller trees - about 1.5 metres of 5ft.) Nursery clearing also to commence late in 1977.
  - (ii) Buring to be done early in 1978. Palm Seeds to be ordered in April/May, 1977.
  - (iii) Cover Crops to be established in 1978, Nursery to be established in May/June, 1978 and field planting to be done in May - June, 1979.
  - (iv) Owing to general shortage of plantation labour, all operations should be mechanised as much as possible. Thus, holing and subsequent slashing to be mechanised.
  - (v) Dumpers should be considered for collection of bunches from the fields to the roads.
  - (vi) Lorries with hydraulic cranes should be considered for collection of fruits for delivery to mill.
  - (vii) Compact modern mill should be considered. The type used by SODEPALM in Ivory Coast could be examined. Most of the parts are fabricated locally in Ivory Coast.
  - (viii) Needless to say therefore that a timetable of activities should be included in the Study.

3. You are also required to contact qualified technical partners. These should be recommended and the basis of recommendation should be stated. Details of conditions given by such technical partners including any quotations and terms of agreement should be provided in the final report.

4. You will please find enclosed two (2) copies of Agreement forms for completion by you. The original duly completed should be returned to this office with a 15 kobo stamp affixed.

5. We do hope that a most efficient service and highly informative study would be forthcoming within the specified period of time - 12 weeks.

6. Thank you.

Yours faithfully,

SGD. (C.O. Ajanaku)  
for: General Manager.

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~~329~~  
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Y.E.,

It will be recalled that at the Treasury Board meeting on 15th February, allegations were made that the Oyo State Investment and Credit Corporation had entered into some consultancy contract with the Nigerian Joint Agency Limited (NIJAL). I immediately called for the explanations of the General Manager which I hereby submitted on pages 37 - 45. The import of the explanation is that a competitive approach was taken before the appointment was made and consultancy contract agreement entered into with the Nigerian Joint Agency Limited. Invitation was extended to 4 Consultants whose quotations and consultancy plans were thoroughly analysed. The contract was awarded to NIJAL because it possesses adequate relevant experience and their negotiated fee of #45,000 was considered reasonable.

2. In the absence of any directive to the contrary, the action of the Corporation is considered reasonable but in order to obviate the possibility of Corporations engaging Consultants indiscriminately, I have already sent out a circular conveying Your Excellency's directive that no Corporation should enter into any contract agreement with a Consultant without consultation with and approval of this Office. This is for Y.E.'s information please.

(T. A. Akinyele),  
S.M.G. & H.S.,  
23/2/77.

Thanks. When the corporation appeared before the Board, it gave a satisfactory explanation.

Above noted.

Prin Sec (sc)  
23/2/77  
T. A. AKINYELE 23/2/77

MA  
24/2/77  
P. see from p. 36 & dispose of file.

MINISTRY  
OF AGRICULTURE



AND  
NATURAL RESOURCES

ADMINISTRATION AND GENERAL DIVISION

IBADAN · WESTERN STATE OF NIGERIA  
OYO

Your Ref. No.....

All communications should be  
addressed to the Permanent Secretary  
quoting

Our Ref. No. EC.255T/17

Date 18<sup>th</sup> February, 1977.

The Secretary to the Military Government  
& Head of Service,  
Office of the Military Governor,  
Agodi, Ibadan.

(For the attention of Mr. E.O. Omobowale)

Establishment of Commercial Oil Palm Project  
in Oyo State

P.7  
With reference to your letter No. SP/C.201/T2/7 of 14th February, 1977, I regret to inform you that our view in this Ministry is that the odds are heavily weighed against the establishment of a large-scale oil palm plantation in Oyo State. Our reasons for holding this view are not far-fetched.

2. In the first place, the climatic and ecological factors at Ife and Ago Owu Forest Reserves (which appear to be our most promising oil palm areas) are at best no more than marginal for any successful oil palm venture. It will therefore be a great mistake for government to embark on a large scale oil palm plantation in any part of Oyo State. The Federal Government is no doubt aware of this limitation in our predominantly savannah ecological zone and has not considered this State as one of those in which it is going to invest in oil palm plantation. For your information, the Federal Government will invest within the next few years an estimated sum of ₦300 million on the establishment of 12,000 hectares of oil palm plantations in Imo, Cross River, Bendel and Ondo States which are the country's pre-eminently suitable oil palm plantation areas. The management of the plantations would be contracted to the Nigerian Joint Agencies Ltd. (NIJAL).

3. The second reason why Oyo State Government should not deforest Ago Owu and Ife Forest Reserves either for oil palm plantation or for any other project is that our State is very poor in high forest reserves, which cover only about 3% of the total land area in the State and is far too low in comparison with the world standard for forestry practice which stipulates a proportion of 20-25%. It is therefore not advisable for Government to embark on further deforestation in the State. At present, the State consumes approximately 171,000 cubic metres (or 6 million cubic ft.) of wood every year. It is only 60% of this that is derived within the State while the remaining 40% comes from other States, especially Ondo. In Oyo State, it is only Government that is embarking on an afforestation programme in order to provide for the future needs of our people. Outside forest reserves, no replacement of forest product is envisaged by anybody so that the supply from these forests will gradually diminish and we shall soon

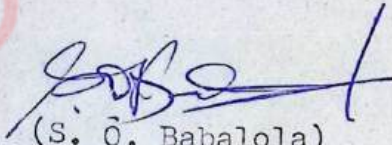
Pl. See P. 15

372/10

come to a stage when all wood requirements will be met only from the reserves. Unless intensive afforestation with rational management in respect of exploitation is undertaken in the existing forest estates, there will be acute shortage of timber by about 1984, whereas with the massive Federal Government investment in oil palm plantation no such shortage is likely to be experienced in the supply of palm products by that time.


4. Another reason why forestry development should not be sacrificed for oil plantation at Ago Owu and Ife is that the forest reserves are not Government Forest Reserves but constituted as Local Government Forest Reserves. Both reserves are under licence, subjected to a written strict forest management. The local councils and State Government receive annually a large amount of fees and royalties from the forest exploitation. The reserves are therefore both locally and silviculturally committed.

5. In our opinion, what we should do is to intensify efforts at encouraging small-scale oil palm farms, possibly on group-farm basis, as we are at present doing. Any attempt to go beyond this stage is fraught with economic danger. Ago Owu Forest is earmarked for plantation of Antocephalus cadamba for the supply of wood for match splints. This wood attains maturity between five to ten years. At present, the Forest carries 13 sq. km of teak, 5 sq. km. of indigenous species and 2sq. km. of Gmelina arborea. Finally, we believe it is high time that the principle of "regional planning" based on land use capability was put into practice in this country, whereby only lands with comparative cost advantage are put to specific uses. Perhaps I should add that both the Forestry and Extension Divisions are agreed on the views expressed in this letter.

  
(S. O. Babalola)  
Permanent Secretary.


CR

Pl. enclose in the appropriate file and resubmit to me.

  
27/2/76

Prim. Sec (sc)

1 submit from p. 9 for you  
n. a. please.

  
CR  
22/2/77

ARCHIVES OF

YE  
S.M.G. & H.S. ~~24/1/77~~

Via Sec. (SD) ~~23/2~~

#  
373

Following the directive given in your minute at page 3 of this file, the Permanent Secretary, Ministry of Agriculture and Natural Resources was requested to make his views available to us on the proposals made vide the letter at pages 1 - 2 in which the General Manager, Investment and Credit Corporation of Oyo State stated that :-

- (i) there was no oil palm project in Oyo State;
- (ii) it was not considered as desirable in the long run to rely absolutely on other States for the supply of palm oil to Oyo State if oil palm projects could be economically established;
- and (iii) a feasibility study had recently been commissioned on the establishment of two 8,000 hectares oil palm plantation projects in Oyo State.

2. In pursuance of the Corporation's objective to establish oil palm plantations in Oyo State, the Gen. Manager recommended that the State Government should -

- (i) approve the deforestation of the Ago-Owu Forest Reserve and the Ife Forest Reserve to facilitate the establishment of oil palm plantations in Oyo State;
- and (ii) authorise the Ministry of Agriculture and Natural Resources to allow the Corporation's Soil Investigation Team and the Consultant studying the feasibility of the project to have free access into the two Forest Reserves so that they could carry out soil examination and stream survey and test in the two areas.

3. The invited comments of the P.S., M.A.N.R. can be found in the letter at pages 9 - 10 in which the Permanent Secretary, Min. of Agric. and Natural Resources claimed that the odds were

12  
374  
heavily weighed against the establishment of large-scale oil palm plantations in Oyo State. He amplified this view by stating that :-

- (i) the climatic and ecological factors at Ife and Ago Owu Forest Reserves were at best no more than marginal for any successful oil palm venture;
- (ii) it was as a result of the Federal Government's awareness of the limitation of this State's savannah ecological zone that this State was not considered as one of those in which the Federal Government would invest in oil palm plantations; (the Federal Government would invest about ₦300 million on the establishment of 12,000 hectares of oil palm plantations in Imo, Cross River, Bendel and Ondo States);
- (iii) the Oyo State Government should not deforest Ago-Owu and Ife Forest Reserves either for oil palm plantation or for any other project in view of the fact that only 3% of the total land area in the State had high forest reserves in comparison with the accepted world standard for forestry practice ranging between 20 - 25%;
- (iv) the State was consuming approximately 171,000 cubic metres of wood annually;
- (v) it was only Government that was embarking on an afforestation programme in order to provide for the future needs of the people;
- (vi) there would be acute shortage of timber by about 1984 unless intensive afforestation with rational management of timber exploitation was undertaken whereas with the massive Federal Government investment in oil palm plantation such shortage might not be experienced in the supply of palm products by that time;

13  
375

- (vii) another reason why forestry development should not be sacrificed for oil palm plantation at Ago Owu and Ife was that the two Forest Reserves were constituted as Local Government Forest Reserves and they had so far served as a source of revenue to the Local Councils concerned and the State Government.

The P.S., M.A.N.R. ended his comments on a note that what should be done "is to intensify efforts at encouraging small scale oil palm farms, possibly on group farm basis".

4. I share the views expressed by the P.S., M.A.N.R. There is no denying the fact that this State would certainly benefit immensely from the Federal Government's huge investment in oil palm plantations in other States as this State would definitely constitute one of the markets where the products of the plantations would be sold in the near future. What we should do at this end is to order our Industrial and Investment priorities which definitely should not include the establishment of oil palm plantations on a large scale. I therefore wish to recommend for approval that :-

- (i) a copy of the letter at pages 9 - 10 should be made available to the GM, I.C.C.O.S. for information and record purposes;
- (ii) the GM, I.C.C.O.S. should be informed that we would not support the deforestation of Ife and Ago Owu Forest Reserves in view of the fact that the odds are heavily weighed against the establishment of large scale oil palm plantations in Oyo State (this view has been firmly established by the PS, M.A.N.R. in his letter mentioned above);
- (iii) the I.C.C.O.S. should endeavour to explore other avenues in its untiring bid to accelerate the industrial growth ~~and development~~ of this State;

23/2

#  
376

and (iv) the I.C.C.O.S. should explore in particular the possibility of encouraging small scale oil palm farms, possibly on group farm basis.

*Mulimolawa*  
(E. O. Omobowale),  
Prin. Sec. (SC)

23 Feb. 1977.

Para of (i), (iii) & (iv) approved. While I do not disapprove of para of (ii) I feel it will not be out of place if the State has its own holding of ~~the~~ Oil palm plantation if other ecologically suitable locations could be found. *Taf.*

Prin. Sec (sc)

*Akinyele*

Pl. take for a on HONG 1 min. above as slightly amended by me. In other words, we want the Corp to make more efforts.

~~T. A. AKINYELE~~

25/2/77

~~15~~  
377

SP/C.201/T/15

28 February, 1977

The General Manager,  
Investment and Credit Corporation  
of Oyo State,  
Ibadan.

Establishment of Commercial Oil Palm Project:  
Oyo State

P. 9

With reference to your letter No. AG.1/1A/21 of 26th January, 1977, I am directed to forward herewith, for information and record purposes, the photostat copy of a letter No. EC.255T/17 of 18th February, 1977 in which the Permanent Secretary, Ministry of Agriculture and Natural Resources argued that the odds "are heavily weighed against the establishment of a large scale oil palm plantation in Oyo State".

2. After considering the expert advice given by the Permanent Secretary, Ministry of Agriculture and Natural Resources in his letter mentioned above, this Office came to the conclusion that it would not be an ideal thing to deforest Ibe and Ago-Owu Forest Reserves. I have, therefore, been requested to advise your Corporation to explore :-

- (i) other avenues in its untiring bid to accelerate the industrial growth of this State;
- and (ii) the possibility of encouraging small scale oil palm farms, possibly on group farm basis.

3. I am to add that this Office will support the establishment of oil palm plantations in Oyo State if other ecologically suitable locations for oil palm projects could be found. Your Corporation should, therefore, make more efforts in this direction.

(E. O. Omobowale),  
for Secretary to the Military  
Government and Head of Service.



P. See P 394

PENDING



SMC 201 378

# OYO STATE INVESTMENT AND CREDIT CORPORATION

(A STATUTORY ORGANISATION OF THE OYO STATE GOVERNMENT)

FLOORS 17-19 COCOA HOUSE, PRIVATE MAIL BAG 5085, IBADAN. TEL: 62810 - 2

OUR REF: AG.1/1A/26

TELEX NO. 31122 A1. CORP. NG.

YOUR REF:

TELEGRAMS/CABLES: OYSICCO IBADAN

22nd February, 1977

Secretary to the Military Government  
and Head of Service,  
Office of the Military Governor,  
Agodi,  
Ibadan.



## Establishment of Commercial Oil

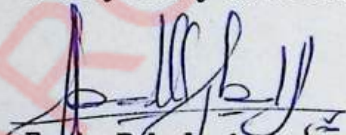
### Palm Project: Oyo State

I refer to my letter AG1/1A/21 of 26th January, 1977, on the above subject. I attach herewith a map indicating the area that might be acquired after successful feasibility study of commercial oil palm project.

The proposed area is bounded roughly by Longitude 4° 20' East and 4° 32' East and Latitude 6° 58' North and 7° 8' North. The area covers roughly 25,000 hectares. It is about a third of the total hectareage of Owu, Ife and Shasha Reserves.

This is just a rough estimate after a reconnoitre of the area, but detailed study as mentioned in my earlier letter is essential before a firm decision is taken. In order to do this, it would be appreciated if the letter of authority which would enable the consultants already appointed, to have a free access to this area be issued.

A very early attention to this matter is required.

  
E. A. Ebedeyi,  
General Manager

OK, Please enclose and submit to PS(SC) to examine exhibit, N.F.A is necessary in the light of the letter of page 377

P.299A  
abc

23/2

379

Prin fee (sc)  
Overleaf  
necessary

is hereby subd. for  
action, please.

CR  
2/3



CR

N-f-a. is necessary  
on the letter overleaf  
in view of the action  
taken vide our letter  
at page 377.

///  
3/3

ARCHIVES OF FOYSALABAD

SP/S 360/24



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# OYO STATE INVESTMENT AND CREDIT CORPORATION

(A STATUTORY ORGANISATION OF THE OYO STATE GOVERNMENT)

FLOORS 17-19 COCOA HOUSE, PRIVATE MAIL BAG 5085, IBADAN. TEL: 62810 - 2

OUR REF: A2/128/Vol.3/27

TELEX NO. 31122 A1. CORP. NG.

YOUR REF:

TELEGRAMS/CABLES: OYSICCO IBADAN

7th February, 1977

The Secretary to the Military Government  
and Head of Service,  
Office of the Military Governor,  
Agodi,  
Ibadan.

For the attention of Mr. Onajide:

### Sharing of Assets

The former Western State Agricultural Investment Corporation and the Western State Agricultural Credit Corporation were not dissolved until June 30th 1976 and the various Corporations which took over the duties and activities of these Corporations did not start functioning until after July, 1977, and, infact, some cannot be said to be fully operational now.


In order to ensure early sharing of assets, the Oyo State Investment & Credit Corporation attempted to get a working group to prepare the accounts of the two former Corporations and to deliberate on the 'modus operandi' for sharing assets. The first effort has been partially successful as the account of Western State Agricultural Investment Corporation up to 30th June, 1976 has been prepared but the Western State Agricultural Credit Corporation account is yet to be prepared, and it is becoming increasingly difficult to get people together. Even when the two accounts have been prepared, they must be audited before the assets and liabilities are shared along laid down principles.

In addition to this, there is also the question of the loan granted by the Nigerian Agricultural Bank Limited to the former Western State through the Western State Agricultural Credit Corporation, this is already referred to you, vide our letter A.2/128/Vol.3/16 of 8th November, 1976 and your reply SP/C.201/276. Even though the matter is being referred to the law officers, a concensus of all those involved in the operation of the loan would be essential to the final settlement of the issue. It is to be noted also that some items of which form part of the loan are yet to be distributed by the Ministry of Agriculture and Natural Resources (Engineering Division).

In view of the incorporateness of the parties involved in the above issues, it has been difficult, if not impossible, to effect a meeting of minds, and this is likely to continue 'ad infinitum' unless something concrete is done immediately.

It is therefore suggested that a Committee be set up by the Governments of Oyo, Ogun and Ondo States to handle all these issues and make final recommendation on the sharing of ALL assets and liabilities of the two defunct Corporations - Western State Agricultural Investment Corporation and Western State Agricultural Credit Corporation.

It will be appreciated if this letter could be given urgent attention as lack of a decision on some of the issues (e.g. NAB loan) will adversely affect some of the activities of this Corporation.


  
E. A. Egbadeyi,  
General Manager.

PL. See P. 384

Sec (Sec)


702.15/w a. please. Above is kindly reported for.

183 247  
CR, Please remove P.96 from this file and resubmit  
to Principal Sec (SC) for further action in a T/file  
and pass P.95 on to USC (SC) file.

  
15/2

Prin Sec (SC)

Ref. the min above, over leaf is  
submitted please.

  
CR

14/2/77

AS(SC)

Pl. deal with this



17/2/77

YE

S.M.G. & H.S., 26/1/77

Via Sec. (SD) 24/2

Pr. Sec. (SC), 22/2/76

380

I respectfully draw Your Excellency's attention to page 1, containing a letter which was written by the General Manager of Oyo State Investment and Credit Corporation. In the letter, he stated that the former Western State Agricultural Investment Corporation and the Western State Agricultural Credit Corporation were not dissolved until June 30th 1976 and that the various Corporations which took over the duties and activities of the Corporations did not start functioning until after July, 1976. He also stated that in order to ensure early sharing of assets, the Oyo State Investment and Credit Corporation attempted to get a working group to prepare the accounts of the two former Corporations and to deliberate on how the assets would be shared. According to the General Manager the first effort had been partially successful as the account of Western State Agricultural Investment Corporation up to 30th June, 1976 had been prepared but that of the Western State Credit Corporation was yet to be prepared. The General Manager further indicated in his letter that the loan granted by the Nigerian Agricultural Bank to the former Western State through the Western State Agricultural Credit Corporation, even though it was referred to the law officers, an agreement of all those involved in the operation of the loan would be essential to its financial settlement. He added that in order to solve the two issues raised in his letter, he suggested that a committee be set up by the Governments of Oyo, Ogun and Ondo States to handle the sharing of all the assets and liabilities of the two defunct Corporations.

2. I support the suggestion put forward by the General Manager that a committee be set up to do the sharing of both the assets and the liabilities of the former Western State Agricultural Investment Corporation

and Western State Agricultural Credit Corporation.

*EA Osundiran*  
E.A. Osundiran,  
AS (SC),  
22<sup>nd</sup> February, 1977.

3. The legal advice from the Ministry of Justice is that the Nigeria Agricultural Bank Loans cannot be shared legally until the successors to the two Corporations have been given legal recognition by the amendment of the appropriate Federal Decree. Nevertheless I recommend that the Chief Accountants of the appropriate Corporations (i.e. Oyo State Investment and Credit Corporation) of the three States should meet in Ibadan to expedite action and make proposals for the sharing of Assets and Liabilities of the former Western State Agricultural Investment and Agricultural Credit Corporations among the three States pending the amendment of the Federal Decree.

4. If Y.E. supports the recommendation above, it will be cleared with the other two States as soon as possible.

*M. O. Onajide*  
(M. O. Onajide),  
Sec. (S.D.).

24<sup>th</sup> Feb., 1977.

*Recommendation in par 3 page 4*

*Approved.*

*[Signature]*  
28/2

*[Signature]*  
28/2/77

*PS(SC)*

*Please pursue as indicated above. ty,*

*[Signature]*  
2/1/3

SP/C.201/384

8 March, 1977

The Secretary to the Military  
Government and Head of Service,  
Office of the Military Governor,  
Ogun State,  
ABOKUTA.

The Secretary to the Military  
Government and Head of Service,  
Office of the Military Governor,  
Ondo State,  
AKURE.

Sharing of Assets

P. 307

P. 380

Further to my letter No. SP/C.201/307 of 17th February, 1977, I am directed to forward herewith the photostat copy of a letter No. A2/128/Vol.3/27 of 7th February, 1977 in which the General Manager, Investment and Credit Corporation of Oyo State suggested that a Committee be set up by the Governments of Oyo, Ondo and Ogun States to make recommendation on the sharing of all the assets and liabilities of the former Western State Agricultural Investment Corporation and the former Western State Agricultural Credit Corporation. The General Manager also referred to the question of determining each State's liability in respect of a loan of ₦4,368,210.00 which the Nigeria Agricultural Bank Limited granted to the former Western State Agricultural Credit Corporation. I should mention that I had earlier forwarded to you under cover of my letter referred to above, a copy of the legal advice of the Oyo State Solicitor-General and Permanent Secretary, Ministry of Justice to the effect that the promulgation of a Federal Government Decree on the sharing of assets should be awaited before undertaking a review of the loan agreement entered into with the Nigeria Agricultural Bank Limited.

2. The aforementioned legal advice of the Oyo State Solicitor-General notwithstanding, I have been asked to inform you that it is our considered view at this end that the Chief Accountants of the appropriate Corporations of the three States should meet in Ibadan at a date to be announced in order to make proposals for the sharing of the assets and liabilities of the two Corporations mentioned in the preceding paragraph pending the promulgation of a Federal Government Decree as indicated above. It will therefore, be appreciated if you can, please, let us have the benefit of your views on this proposal.

*(Signature)*  
(E. O. Omobowale),

for Secretary to the Military  
Government and Head of Service.





SP/C 201

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# OYO STATE INVESTMENT AND CREDIT CORPORATION

(A STATUTORY ORGANISATION OF THE OYO STATE GOVERNMENT)

FLOORS 17-19 COCOA HOUSE, PRIVATE MAIL BAG 5085, IBADAN. TEL: 62810 - 2

OUR REF: A2/128 Vol. 3/29

TELEX NO. 31122 A1. CORP. NG.

YOUR REF:

TELEGRAMS/CABLES: OYSICCO IBADAN

4th March, 1977

Secretary to the Military Government  
and Head of Service,  
Office of the Military Governor,  
Agodi,  
Ibadan.



For the attention of Mr. E. O. Omobowale

### Sharing of Assets

Western State Agricultural Credit Corporation

and

Western State Agricultural Investment Corporation

I refer to your letter SP/C.201/309 of 17th February, 1977. I am pleased to inform you that it has finally been possible to convene a meeting of representatives from the States of Oyo, Ogun and Ondo of all those interested in the above Corporation with a view of finalising the accounts of the two Corporations and the eventual sharing of assets.

It would be recalled that in my letter A2/128 Vol.3/27 of 17th February, 1977, I called for the setting up of a committee to finalise the accounts of the Corporations and make recommendation on the sharing of the assets. This appeal was made to your office in desperation after all efforts to convene a meeting had failed. Now that it has been possible to get started and a plan of action has been drawn up, it may not be necessary to establish the committee any more. However, if such a committee has been formed, it will be guided by the spirit of the last meeting and all efforts would be made to assist it in achieving the desired goal.

Paragraphs (a) and (b) of your letter under reference can only be finalised after the final accounts had been prepared and audited and on the agreement of the three states involved. I would like to say that we should continue to press for an early conclusion of the accounts so that the matters raised in your letter could be a natural follow-up. You will be kept informed of progress on these issues.

E. A. Egbodevi,  
General Manager.

Pl. See P. 394

Prm. Sec (Sec)

Above is submitted from a plze.

File Note (1)  
I discussed with sec (SD)

CR

CR (11)  
K. I. V. for  
the reactions of the  
Secretaries to the Military  
Govts and Heads of  
Services of the Oyo State

The reactions of the secretaries  
to the Military Governments and  
Heads of Services for Oyo and  
Ondo States to the letter of  
the 17th Feb 1977 are  
enclosed.

8/3  
8/2

OFFICE OF THE



MILITARY GOVERNOR

ABEOKUTA · OGUN STATE, NIGERIA

Your Ref. No.....  
All communications should be  
addressed to the Secretary to the  
Military Government and Head of  
Service quoting C.43/106  
Our Ref. No.....

Date 28<sup>th</sup> February, 1977.

The Secretary to the Military  
Government and Head of Service,  
Office of the Military Governor,  
Oyo State,  
Ibadan.

(For the Personal Attention of Mr. E. O. Omobowale)

Western State Agricultural Credit  
Corporation.

I am writing to acknowledge the receipt of your  
letter No.SP/C.201/307 of 17th February, 1977 concerning  
the above-mentioned subject and to say that the points  
raised therein are being studied. Another communication  
will be addressed to you in due course.

Taiwo  
(T. A. Taiwo)  
for Secretary to the Military  
Government and Head of Service.

CONFIDENTIAL

Pl. enclose in the appropriate file  
and resubmit

PS (cc)

Above

13

subd. f.n.a.

plac.

7

CR

10/3/77

P1 307

Pl. See P. 399

CR

9/3

CR  
18/10/77

PARASTATALS



SC. 18/164

15<sup>th</sup> March, 1977

The Manager,  
Operations Department,  
Nigerian Agricultural Bank Ltd.,  
18/19 Ahmadu Bello Way,  
KADUNA.

Western State Agricultural Credit Corporation

With reference to your letter P-YYSLOW106 of 25th January, 1977, I quote below, the comments of the General Manager, Ondo State Agricultural Credit Corporation, who was also, at the time of the transactions, the General Manager of the now defunct, Western State Agricultural Credit Corporation:

"I wish to refer to your letter No. SC 18/150 of 22nd February, 1977 and to explain that the total loan approved by the Nigerian Agricultural Bank for the former Western State Agricultural Credit Corporation was N4,368,210.00 (Four million, three hundred and sixty eight thousand, two hundred and ten naira).

2. The agreement reached by the Western State Agricultural Credit Corporation before the dissolution of that Corporation was for the three states of the former Western State to inherit the loan on the basis of 44, 31 and 25 per cent for Oyo, Ondo and Ogun States respectively. Shared on that basis, Oyo State should inherit N1,922,012.40 (One million, nine hundred and twenty two thousand, and twelve naira and forty kobo), Ondo State should inherit N1,354,145.10 (One million, three hundred and fifty four thousand, one hundred and forty five naira and ten kobo) while Ogun State should inherit N1,092,052.5 (One million, and ninety two thousand and fifty two naira and five kobo). The same amounts would be guaranteed by the respective State governments.

3. Another agreement reached by the Western State Agricultural Credit Corporation before its dissolution was that each State should be responsible for the repayment to Nigerian Agricultural Bank the unrepaid loan that was disbursed within its borders by the Western State Agricultural Credit Corporation. The loans disbursed in each State consisted of loans to farmers for rice and maize production and withdrawals for storage equipments and construction of storage houses.

4. The details of disbursement for storage facilities in the three States are as shown in Annexure A. It is the total for each State on Annexure A plus the loan disbursed in 1976 crop

301 453

P. 455 370

year to farmers for food product on within each State that was to be repaid by each State. While figures disbursed for food production in 1976 in Oyo and Ogun States are not immediately available, Annexure B shows the total outstanding loans (for storage and food crops) disbursed within Ondo State and to be repaid by Ondo State Agricultural Credit Corporation.

5. It would be observed from above that it seems as if there is a mix up in the letter No. C.43/92 of 6th January 1977 from Ogun State Governor's Office that N1,305,518.00 represents what has been used to finance projects physically located in Ogun State. The figure neither represents 25 per cent of the N4,368,210.00 nor the actual amount disbursed by Western State Agricultural Credit Corporation in Ogun State for rice and maize production and storage facilities. What Ogun State really means is that its government would guarantee 25 per cent of the original N4,368,210.00 and repay the outstanding amount disbursed for rice and maize and storage facilities in Ogun State under Western State Agricultural Credit Corporation.

6. From Annexure B, the Ondo State Agricultural Credit Corporation's proposal is that the N386,457.90 disbursed within Ondo State would be repaid by this Corporation and that the State government should guarantee 31 per cent (or N1,354,145.10) of the original N4,368,210.00 loan from Nigerian Agricultural Bank ..."

SGD.

(T.O. Olotu)  
General Manager.

2. The proposal put forward in paragraph 6 above, by the General Manager of the Ondo State Agricultural Credit Corporation, is endorsed to you for consideration.

(J.B. Abegunde)

for Secretary to the Military Government and Head of Service.

Office of the Military Governor, Akure.

15<sup>th</sup> March, 1977.

Ref. No. SC.18/164A

The Secretary to the Military Government and Head of Service, Oyo State, Ibadan.

The Secretary to the Military Government and Head of Service, Ogun State, Abeokuta.

Above for information, please. This is without prejudice to the suggestion of the Secretary to the Military Government, Oyo State, for a meeting to resolve issues connected with the sharing of the assets and liabilities of the defunct Western State Agricultural Investment Corporation and the Western State Agricultural Credit Corporation.

(J.B. Abegunde)  
for Secretary to the Military Government and Head of Service.

Prim. Sec (Sc)

Above is posted. f. n. a plan.  
7 or 17/3/77

389  
459

Western State ...

Michigan Agricultural Bank Loans

State of Michigan

Details	670	671	672	TOTAL
<u>STORNS ASSN BY</u>	A	B	N	
J. G. Alalade & Son	15,850.00	3,900.00	—	19,750.00
M. W. Olaniyan	10,500.00	3,500.00	3,500.00	17,500.00
J. A. Jaiyeola	11,250.00	3,750.00	3,250.00	18,250.00
L. M. Fepola	11,276.70	11,276.70	15,005.50	37,559.00
T. O. Oursaya	6,425.00	6,425.00	4,566.00	17,416.00
WISH, Construction	6,750.00	2,250.00	2,250.00	11,250.00
PLYWOOD BIN Construction	1,285.00	1,527.50	2,570.00	5,382.50
WARE HOUSES Construction	45,466.80	45,466.80	60,142.80	151,076.40
<u>Sub Total</u>	<u>108,443.50</u>	<u>113,284.30</u>	<u>95,614.30</u>	<u>317,342.10</u>
<u>EQUIPMENT:</u>				
Rice Mill and Engine	9,500.00	9,585.00	12,730.00	31,815.00
Dryers Engines	25,200.00	15,200.00	33,000.00	73,400.00
Engines for Plywood Bins	5,760.00	5,760.00	7,680.00	19,200.00
Spare Parts	2,442.90	2,442.90	3,457.20	8,343.00
Measuring Scales	2,525.00	1,350.00	1,350.00	5,225.00
Tractor Motor Maize Shellers	12,283.00	—	—	12,283.00
Two Maize Shellers	21,600.00	—	—	21,600.00
<u>Sub Total</u>	<u>79,713.90</u>	<u>14,277.90</u>	<u>50,587.20</u>	<u>144,579.00</u>
<u>GRAND TOTAL</u>	<u>188,157.40</u>	<u>127,562.20</u>	<u>146,201.50</u>	<u>461,921.10</u>

ARCHIVES OF OYSSAC

LOANS TO FARMERS =

227,011.00

TOTAL LOANS FROM THE ED (ALO) BOARD  
AGRICULTURAL CREDIT CORPORATION

250,000.00

390 45

Amount (1)

Western State Agricultural Credit Corporation

Nigerian Agricultural Bank Loans

Amount on Loan Agreement ₦ 368,210.00

(A) LOANS RECEIVED FROM NAB  
BY THE DEFUNCT WESTERN STATE  
AGRICULTURAL CREDIT CORPORATION

(i) Storage Facilities	₦ 165,003.10
(ii) Loans to Farmers	1,601,176.10
Total	<u>2,066,179.50</u>

Loans to Farmers Repaid (₦ 640,521.90)

Loans Outstanding ₦ 1,425,657.60

(B) SHARE OF ONDO STATE  
AGRICULTURAL CREDIT CORPORATION  
LOAN OUTSTANDING

(i) Storage Facilities	₦ 122,113.90
(ii) Loans to Farmers	<u>264,000.00</u>
Total	<u>386,113.90</u>

(Sd/-) J. O. Aina,  
Acting Chief Accountant

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S.M.G. & H.S.

Via Sec. (SD), ~~2~~ 3/13

I hereby respectfully recall that I disclosed inter alia in paragraph 2 of my submission at pages 303 - 306 that the Manager of the Nigerian Agricultural Bank had informed the Secretaries to the Military Governments and Heads of Services for Oyo and Ondo States, vide his letter at page 300, that Ogun State had opted to guarantee its own share out of a loan of ₦4,368,210.00 which the N.A.B. Ltd. granted to the former Western State Agricultural Credit Corporation. The Secretary to the Military Government and Head of Service for Ogun State claims in the letter at page 302 that Ogun State's share out of the loan is ₦1,305,518.86.

2. It will be recalled that the Manager, N.A.B. had earlier advised that the N.A.B. loan could be reviewed by :-

- (i) making each State to guarantee its own share of the loan which would be the sum total of the amount spent on projects within the State out of the said loan
- or (ii) the adoption of the 44 : 31 : 25 ratio which was adopted in the sharing of the assets and liabilities within the three States - for purposes of guaranteeing the N.A.B. loan.

We subsequently sought the legal advice of the Solicitor-General on the matter. This legal advice has since been obtained and it has been communicated to the Secretaries to the Military Governments and Heads of Services for Ondo and Ogun States respectively vide the letter at pages 307 - 308 of this file so that we can have the benefit of their views on the legal advice of the SG. vis-a-vis the aforementioned suggestion of the Manager, NAB Ltd.

3. The Secretary to the Military Government and Head of Service for Ondo State has now endorsed to you and the Secretary to the Military Government and Head of Service for Ogun State, the letter at pages 387 - 388 in which the GM, Ondo State Agric. Credit Corp.

indicated inter alia that :-

- (i) the agreement reached by the Western State Agricultural Credit Corporation before it was dissolved was that the three States should inherit the N.A.B. loan on the basis of 44, 31 and 25 per cent for Oyo, Ondo and Ogun States respectively;
- (ii) on the basis of the agreed ratio, the amount which each State should guarantee should be stated hereunder :-
- |                  |                      |
|------------------|----------------------|
| (a) Oyo State -  | ₦1,922,012.40        |
| (b) Ondo State - | ₦1,354,145.10        |
| (c) Ogun State - | <u>₦1,092,052.50</u> |
| Total -          | <u>₦4,368,210.00</u> |
- (iii) another agreement reached by the former Western State Agric. Credit Corporation was that each State should be responsible for the repayment to the Nigerian Agric. Bank the unrepaid loan that was disbursed within its borders by the defunct W.S.A.C.C.;
- (iv) the loans disbursed in each State consisted of loan to farmers for rice and maize production and withdrawals for storage equipments and construction of storage houses;
- (v) the details of disbursement for storage facilities in the three States are as shown in Annexure 'A' at page 389;
- (vi) Annexure 'B' at page 390 shows the total outstanding loans (for storage and food crops) disbursed within Ondo State and to be repaid by Ondo State Agric. Credit Corporation;
- (vii) relevant facts about the loan disbursed for food production in 1976 in Oyo and Ogun States were not available;

The GM, Ondo State Agric. Credit Corporation, therefore, argued that there was a mix-up in the letter at page 302 in which the SMG & HS for Ogun State claimed that ₦1,305,518.86 represented what had been used to finance projects physically located in Ogun State as the figure neither represented 25% of the sum of ₦4,368,210.00 nor the actual amount disbursed by the former Western State Agric. Credit Corporation in Ogun State for rice and maize production and storage facilities.

4. It is my humble suggestion that this State should guarantee and or repay that part of the aforementioned loan which was spent on projects located in Oyo State. The GM I.C.C.O.S. had earlier been requested vide the letter at page 309 to expedite action in

(i) identifying the projects located in Oyo State on which part of the Agric. Bank loan of ₦4,368,210.00 was spent;

and (ii) determining the amount of money spent on the projects identified out of the said loan of ₦4,368,210.00.

X | On the return of file and subject to your approval, the GM, I.C.C.O.S. will be asked to comment on the explanations made by the GM, Ondo State Agric. Credit Corporation in his letter at pages 387 - 388 before further action is taken on the matter at this end.

*E. O. Omobowale*  
(E. O. Omobowale),  
Prin. Sec. (SC)

3/ March, 1977.

*Prin. Sec. (SC)*  
*Omobowale*

*Agreed as at X/ above pt.*

*[Signature]*

2/4/77

394

SP/C.201/394

5 April, 1977

The General Manager,  
Investment and Credit Corporation  
of Oyo State,  
P.M.B. 5085,  
Ibadan.

Western State Agricultural Credit Corporation

Further to my letter No. SP/C.201/309 of 17th February, 1977 to which your letter No. A2/128 Vol.3/29 of 4th March, 1977 would appear to be an interim reply, I wish to forward herewith for your comments, an endorsement No. SC.18/164A of 15th March, 1977 by the Secretary to the Military Government and Head of Service, Akure on the explanations said to have been made by the General Manager, Ondo State Agricultural Credit Corporation on the ₦4,368,210.00 (Four million, three hundred and sixty-eight thousand, two hundred and ten naira) loan approved by the Nigerian Agricultural Bank for the former Western State Agricultural Credit Corporation.

2. Please treat as urgent.



(Lola Omojowolo),  
for Secretary to the Military  
Government and Head of Service.

CONFIDENTIAL

See P. 445

Pl. See P 426

A-S(Se),

for necessary follow-up can't please

up

CR

Please K. I. V for the reply.

6/4/77



NIGERIAN AGRICULTURAL BANK LTD.

P.M.B. 2155,  
18/19 AHMADU BELLO WAY,  
KADUNA.  
PHONES:  
GEN. MANAGER 42203  
23551 EXT. 290  
PROJECTS 42204  
OPERATIONS  
ADMIN. & FIN. 42205  
TELEGRAMS: NAGRIBANK  
TELEX: 71115 NABANK NG



Our Ref: P-YY510W106

30th March, 1977

The Secretary to the Military Government  
and Head of Service, Ogun State.

/ The Secretary to the Military Government  
and Head of Service, Oyo State.

Dear Sir,

Western State Agricultural Credit Corporation

Reference our letters of 4th August 1976 and 13th October 1976 we hereby attach a photocopy of a letter received from the Secretary to the Military Government and Head of Service, Ondo State in respect of the above matter.

We shall be pleased if you go through it critically and let us have your comments if any.

Yours faithfully,  
NIGERIAN AGRICULTURAL BANK LIMITED

(C. E. Nwachuku)  
MANAGER, OPERATIONS DEPARTMENT

Enc:

- cc: The Perm. Sec. MANR, Abeokuta, Ogun State
- "      "      "      "      Akure, Ondo State
- "      "      "      "      Ibadan, Oyo State
- The General Manager, W.S.A.C.C., Ibadan, Oyo State.
- Area Office-Ibadan.

SP/C + 77 201 395

PP 265-6  
P.396-7

Ch  
Bou. in file to  
~~to~~  
Sec. (S.C.)  
Dil 6/4.

PL Sec 1 400



OFFICE OF THE MILITARY GOVERNOR

AKURE · ONDO STATE, NIGERIA

..... PARASTATALS ..... DIVISION

Your Ref. No.....  
All communications should be  
addressed to the Secretary to the  
Military Government and Head of  
Service quoting

Our Ref. No. SC.18/164.....

Date, 13<sup>th</sup> March, 1977.....

The Manager,  
Operations Department,  
Nigerian Agricultural Bank Ltd.,  
18/19 Ahmadu Bello Way,  
KADUNA.

Western State Agricultural Credit Corporation

With reference to your letter P-YYS10W106 of 25th January, 1977, I quote below, the comments of the General Manager, Ondo State Agricultural Credit Corporation, who was also, at the time of the transactions, the General Manager of the now defunct, Western State Agricultural Credit Corporation:

"I wish to refer to your letter No. SC 18/150 of 22nd February, 1977 and to explain that the total loan approved by the Nigerian Agricultural Bank for the former Western State Agricultural Credit Corporation was N4,368,210.00 (Four million, three hundred and sixty eight thousand, two hundred and ten naira).

2. The agreement reached by the Western State Agricultural Credit Corporation before the dissolution of that Corporation was for the three states of the former Western State to inherit the loan on the basis of 44, 31 and 25 per cent for Oyo, Ondo and Ogun States respectively. Shared on that basis, Oyo State should inherit N1,922,012.40 (One million, nine hundred and twenty two thousand, and twelve naira and forty kobo), Ondo State should inherit N1,354,145.10 (One million, three hundred and fifty four thousand, one hundred and forty five naira and ten kobo) while Ogun State should inherit N1,092,052.5 (One million, and ninety two thousand and fifty two naira and five kobo). The same amounts would be guaranteed by the respective State governments.

3. Another agreement reached by the Western State Agricultural Credit Corporation before its dissolution was that each State should be responsible for the repayment to Nigerian Agricultural Bank the unrepaid loan that was disbursed within its borders by the Western State Agricultural Credit Corporation. The loans disbursed in each State consisted of loans to farmers for rice and maize production and withdrawals for storage equipments and construction of storage houses.

4. The details of disbursement for storage facilities in the three States are as shown in Annexure A. It is the total for each State on Annexure A plus the loan disbursed in 1976 crop

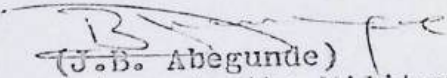
year to farmers for food production within each State that was to be repaid by each State. While figures disbursed for food production in 1976 in Oyo and Ogun States are not immediately available, Annexure B shows the total outstanding loans (for storage and food crops) disbursed within Ondo State and to be repaid by Ondo State Agricultural Credit Corporation.

5. It would be observed from above that it seems as if there is a mix up in the letter No. C.43/92 of 6th January 1977 from Ogun State Governor's Office that N1,305,518.00 represents what has been used to finance projects physically located in Ogun State. The figure neither represents 25 per cent of the N4,368,210.00 nor the actual amount disbursed by Western State Agricultural Credit Corporation in Ogun State for rice and maize production and storage facilities. What Ogun State really means is that its government would guarantee 25 per cent of the original N4,368,210.00 and repay the outstanding amount disbursed for Rice and maize and storage facilities in Ogun State under Western State Agricultural Credit Corporation.

6. From Annexure B, the Ondo State Agricultural Credit Corporation's proposal is that the N386,457.90 disbursed within Ondo State would be repaid by this Corporation and that the State government should guarantee 31 per cent (or N1,354,145.10) of the original N4,368,210.00 loan from Nigerian Agricultural Bank ..."

(T.O. Olotu)  
General Manager.

2. The proposal put forward in paragraph 6 above, by the General Manager of the Ondo State Agricultural Credit Corporation, is endorsed to you for consideration.

  
(J.B. Abegunde)  
for Secretary to the Military Government and Head of Service.

NAB	DATE 22 MAR 1977				
	G	P	O	A	B
INFORM.					
DISCUSS					
ACTION			✓		
FILING					

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398

Prin. sec (sc)

See from P 395.

2. You are already handling the matter  
as at P. 394.

~~Jan~~  
sec (sc)  
12/4/77

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CONFIDENTIAL

399

SP/C.201/399


(2) April, 1977

The Secretary to the Military  
Government and Head of Service,  
Office of the Military Governor,  
Ogun State,  
ABEOKUTA.

Western State Agricultural Credit  
Corporation

P. 386  
1307  
I wish to refer to previous correspondence ending  
with your letter Ref. C.43/106 of 28th February, 1977 on  
the subject above and to request for the favour of a full  
reply to my earlier letter Ref. SP/C.201/307 of 17th February,  
1977 and its attachments.



  
(Lola Omojowolo),  
for Secretary to the Military  
Government and Head of Service.

CONFIDENTIAL

Sup. 423

400

SP/C.201/400

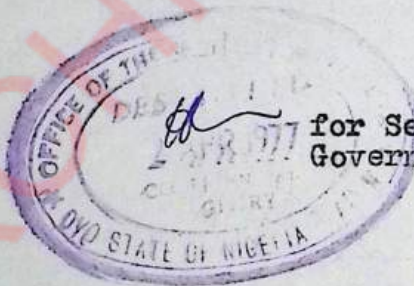
(2 April, 1977

The Manager,  
(Operations Department),  
Nigerian Agricultural Bank Ltd.,  
18/19 Ahmadu Bello Way,  
P.M.B. 2155,  
KADUNA.

Western State Agricultural Credit Corporation

P 395  
I wish to refer to previous correspondence ending with your letter Ref. P-YY510W106 of 30th March, 1977 and the attachment on the subject above and to say that we are still trying to sort out the issues involved with the other State Governments and with our own functionaries concerned.

2. You may therefore expect to read further from us as might be necessary.



*[Signature]*  
(Lola Omojowolo),  
for Secretary to the Military  
Government and Head of Service.

401  
A-S(SC),

Page 399 especially for necessary  
follow-up action, please

DL

13/4

CR

K. I. V for the reply to the  
letter at page 399.

SAO

13/4/77

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