

A BILL

FOR

AN ACT TO REPEAL THE COMMODITY BOARDS ACT, CAP C4 LFN 2004, AND TO RE-ENACT THE COMMODITY AND GRAIN BOARD AS A BODY CORPORATE TO PROMOTE, REGULATE AND STANDARDISE THE PRODUCTION, EXPORTATION OF SUCH COMMODITIES AND GRAINS, AND FOR RELATED MATTERS

Sponsored by Hon. Mohammed Tahir Monguno

[] Commencement

BE IT ENACTED by the National assembly, Federal Republic of Nigeria as follows:

- 1 **1.**-(1) There is hereby established a body to be known as the Establishment
- 2 Nigeria Commodity and Grain Board (hereinafter referred to as "the of the Nigeria
- 3 Board"). Commodity and
- 4 (2) The Board shall be a corporate body with perpetual succession, Grain Board
- 5 and a common seal and may sue and be sued in its corporate name.
- 6 (3) The Board may, for the performance of its functions under this
- 7 Bill acquire and hold movable or immovable property and may dispose of
- 8 that property and enter into a contract or any other transaction.
- 9 **2.** The corporate Headquarters of the Board shall be situated in Headquarters
- 10 Abuja, with branches at the following locations: and Branches
- 11 (a) Ibadan;
- 12 (b) Kano;
- 13 (c) Funtua;
- 14 (d) Calabar;
- 15 (e) Benin;
- 16 (f) Minna;
- 17 (g) Makurdi; and
- 18 (h) Enugu. of the Board

Objectives of the Board	1	3. The objects of the Board shall be:
	2	(a) to encourage the production and cultivation of the following:
	3	(i) Cocoa;
	4	(ii) Groundnut;
	5	(iii) Cotton;
	6	(iv) Rubber;
	7	(v) Grains;
	8	(vi) Tuber and Root Crops.
	9	(b) to secure the most favourable arrangement for the purchase,
	10	inspection, grading, sealing, certification and export of the relevant
	11	commodity and gram;
	12	(c) to initiate programmes aimed at controlling pests and diseases on
	13	any commodity and gram.
	14	(d) to regulate the marketing and export of cocoa, groundnut, cotton,
	15	rubber, grains, tuber and root crops;
	16	(e) to purchase, import, undertake and encourage the manufacture of
	17	market inputs used in the production of the relevant commodity and grain;
	18	(f) to encourage the establishment of industrial processing factories
	19	for the processing of grains and commodities in Nigeria;
	20	(g) to promote the general welfare of farmers of the relevant
	21	commodity and gram.
Functions of the Board	22	4. -(a) to support and stabilize the price of the relevant commodity and
	23	grain;
	24	(b) to appoint licensed buying agents, ginning and other agents;
	25	(c) to prescribe by notice specific periods during which the buying of
	26	the relevant commodity or grain for export or for merchandised processing
	27	shall be prohibited, restricted or allowed;
	28	(d) to engage in the processing of the relevant commodity and, where
	29	necessary, the purchase and subsequent sale of processed and semi-processed
	30	products thereof for the domestic market and for the export of any surplus;

1 (e) to establish buying centres an all major producing areas for the
2 relevant commodity or gram;

3 (f) to determine, with the prior approval of the Minister, the prices
4 to be paid to producers for their products and shall arrange in the manner that
5 the Board thinks fit to notify the prices to the producers;

6 (g) to provide improved seedlings, credit and other facilities to the
7 farmers to plant new farms, or rehabilitate old ones;

8 (h) to ensure quality control of the relevant commodity or grain,
9 and for that purpose advise the Minister charged with responsibility of Trade
10 with regard to standards and grades of the relevant commodity or grain
11 which may be exported;

12 (i) to conduct research into the production, handling, marketing of
13 the relevant commodity or grain and any other matter relating to the relevant
14 commodity or grain and any products derived from or connected therewith;

15 (j) to promote the development and the rehabilitation of the
16 producing areas generally and in particular to ensure that adequate supply of
17 fertilizers and other requisite inputs are made available to promote the
18 benefit and prosperity of the producers; and

19 (k) to do any other thing as may be necessary or expedient for
20 giving full effect to the provisions of this Bill.

21 **5.-(1)** There is established for the Board, a Governing Board
22 (herein called the Board) which shall consist of the of the followings;

Membership of
the Board

23 (a) the Minister responsible for Agriculture and Rural
24 Development, who shall be the Chairman;

25 (b) a representative of the Federal Ministry of Trade and
26 Investment not below the rank of a Director;

27 (c) a representative of the Central Bank of Nigeria not below the
28 rank of a Deputy- Governor;

29 (d) a person each to represent the area where the commodity or
30 grain is produced in commercial quantity;

1 (e) two persons to represent the special interests in agriculture, and

2 (f) the Director-General of the Board.

3 (2) The Chairman and the other members of the Board, not being ex-
4 officio members, shall be appointed by the President on the recommendation of
5 the Minister.

6 (3) The supplementary provisions contained in the First Schedule to
7 this Bill shall have effect with respect to the tenure of office of the members of
8 the Board and other matters therein mentioned.

9 6.-(1) There shall be appointed by the President, on the
10 recommendation of the Minister, a Director-General for the Board, who shall
11 be the Chief Executive Officer of the Board and be responsible for the
12 execution of the policies and the day-to-day running of the affairs of the Board.

13 (2) The Director-General shall possess relevant and cognate
14 experience in Agriculture and Agric-related disciplines and has been so
15 qualified for a period of not less than 10 years.

Staff Generally

16 7.-(1) Subject to the provisions of this Bill, the Board may appoint
17 such persons as members of staff of the Board as it considers necessary and
18 may approve conditions of service including provision for the payment of
19 pensions.

20 (2) If the Board thinks it expedient that any vacancy in the staff of the
21 Board should be filled by a person holding office of the Public Service in the
22 Federation, the Board shall inform the appropriate Civil Service Commission
23 to that effect to enable the Board fill the vacancy by way of secondment of
24 transfer.

25 (3) Where a member of any of the civil services in the Federation is
26 scheduled under subsection (2) of this section, he shall be notified of the terms
27 and conditions of the secondment, and the secondment shall be without
28 prejudice to any pension rights which, but for the secondment, would still
29 accrue to him.

30 (4) a person under subsection (2) of this section may elect to be

1 transferred to the staff of the Board concerned in which case any previous
2 service in the civil service shall count as service for the purposes of
3 pensions.

4 **8.-(1)** The Board shall have an officer to be designated as the General Counsel
5 General Counsel, who shall be appointed by the Board.

6 (2) (a) he shall be the Chief Legal Officer of the Board;

7 (b) he shall be a legal practitioner of not less than 10 years post-call
8 experience;

9 (c) he shall be secretary to the Board at their meetings and shall,
10 subject to the directions of the Director-General, arrange the business and
11 record and keep minutes of the meetings of the Board;

12 (d) he shall perform any other function as may be assigned to him
13 by the Board from time to time.

14 **9.-(1)** The Funds of the Board shall be:

Financial
Provisions

15 (a) Such sums as may be appropriated for in each year's national
16 budget;

17 (b) Moneys derived from the activities of the Board;

18 (c) Moneys earned or arising from any investment by the Board;

19 (d) All sums as may from time to time be lent to the Board;

20 (e) All sum or asset which may in any manner become payable to or
21 vested in the Board in respect of any matter incidental to its functions.

22 **10. -(1)** The Board may, from time to time apply the funds at its Expenditure
23 disposal:

24 (a) to or in connection with the purchase of the relevant commodity
25 or grain;

26 (b) to the stabilization of prices in accordance with the provisions
27 of this Bill;

28 (c) to the cost of administration of the Board;

29 (d) to the development and rehabilitation of the producing areas
30 and supply of in-puts to producers;

1 (e) to the control of pests and diseases affecting any commodity or
2 grain;

3 (f) for and in connection with all or any of the functions of the Board
4 under this Bill of any other enactment.

Power to Borrow

5 **11.** The Board may from time to time borrow such sums as it may
6 require in the exercise of its functions under this Bill.

Role of the
Central Bank

7 **12.**-(1) the Central Bank of Nigeria may, subject to the provisions of
8 the Central Bank Act, grant advances and provisions for securities, to the
9 exclusion of any other Bank, within the meaning of Banks and other Financial
10 Institutions Act, to the Board.

11 (2) Such advances shall be:

12 (a) For such period as may be agreed between the Board and the
13 Central Bank at a minimum interest rate which shall be at least one percent
14 above the Central Bank's minimum rediscount rate; and

15 (b) Upon such conditions as the Central Bank may, after consultation
16 with the Minister specify.

17 (3) The advances referred to in subsection (1) of this section, may be
18 granted in any particular case only where a guarantee is given in writing by the
19 Federal Government to the Central Bank on behalf of the Board, such advances
20 granted shall not exceed an amount considered by the Bank to be adequate for
21 the Board to commence its operations at the beginning of the season.

22 (4) The Board shall ensure that such advances shall be used solely for
23 the purposes of:

24 (a) Financing any purchasing or marketing operations authorized to
25 be undertaken by the Board pursuant to this Bill; and

26 (b) Financing such other operations as may be incidental to its
27 powers.

28 (5) The reference in this section to the granting of advances includes a
29 reference to the provision of credit facilities.

1	13. -(1) The Board shall keep proper accounts in respect of each	Account and
2	financial year and proper records in relation to such accounts.	Audit
3	(2) The financial year shall be such as may be determined by the	
4	Board.	
5	14. -(1) Subject to any directive as may be issued by the Minister,	Price Fixing
6	the Board shall be the Price Fixing Authority.	Authority
7	(2) The Authority:	
8	(a) Shall have power to fix for each season the price at which the	
9	Board shall purchase each produce (hereinafter referred to as "the Produce	
10	Price"); and	
11	(b) May give guidelines concerning the price at which the Board	
12	shall sell such produce (hereinafter referred to as "the Sale Price") whether	
13	or not for export.	
14	(3) In determining the price, the Authority shall be guided by the	
15	need to constantly review trends in world prices, local production costs and	
16	other factors relevant to the production and marketing of each commodity	
17	and grain, and in doing so shall consult with the National Council of States.	
18	15. -(1) The Board shall prepare and submit to the Minister not later	Annual Reports
19	than September each year a report in such form as the Minister may direct on	
20	the activities of the Board during the last preceding financial year and shall	
21	include in the report a copy of the audited accounts for the year and the	
22	auditor's report on the accounts.	
23	(2) The Minister shall cause a copy of each report made to him be	
24	laid before each House of the National Assembly. Miscellaneous and	
25	Supplementary Provision	
26	16. -(1) Subject to the provisions of this Bill, any person who	Industrial
27	engages in industrial processing of any commodity or grain to which this	Processing
28	Bill applies:	
29	(a) Shall be entitled to purchase the relevant commodity or grain at	

1 a price not less than that fixed from time to time by the Price Fixing Authority;
2 and

3 (b) Where he is a primary producer of such commodity or grain, shall
4 not be under any obligation to sell such commodity or grain to the Board.

5 (2) In this section:

6 "Industrial Processing" means any industrial or large-scale process or
7 operation which has the effect of altering the character, nature or composition
8 of any commodity or grain to which this Bill applies, and

9 "Primary Producer" means a person who grows or tend any commodity or grain
10 to which this Bill applies.

False
Representation

11 **17.** Any person who falsely holds himself out or represent himself to
12 be a licensed agent or a person acting on the authority or instruction of the
13 Board shall be guilty of an offence and shall be liable on conviction to a fine of
14 N50,000 or imprisonment for two years or both.

Appeals as to
Licenses

15 **18.**-(1) Any person aggrieved by the refusal of the Board to grant or to
16 renew an agent's license or by any conditions imposed by the Board in
17 connection with such license may within 30 days from the day of refusal by the
18 Board appeal to the minister.

19 (2) The Minister shall give a decision (whether or not subject to such
20 conditions as he may deem fit) on any appeal lodged in accordance with this
21 section not later than 30 days after the date of its receipts by him.

22 (3) The Minister shall cause to be given to the applicant notice in
23 writing of his decision (which shall be subject to appeal), and if the appeal is
24 allowed, the Board shall comply with such decision.

Application

25 **19.**-(1) For the purpose of this Bill, the relevant commodities or grains
26 shall be as specified in the Second Schedule to this Bill.

27 (2) The branches of the Board contained in section 2 of this Bill shall
28 continue to regulate such commodity or grain as stated against each branch and
29 specified in the Second Schedule to this Bill.

1	20. The President may by order publish in the Official Gazette	Power to amend Second Schedule etc.
2	delete from, add to or otherwise vary the list of commodities or grains	
3	contained in the Second Schedule to this Bill.	
4	21. Subject to the provisions of this Bill, the Minister may, with the	Regulations
5	prior approval of the President, make regulations generally for carrying into	
6	effect the provisions of this Bill, and without prejudice to the generality of	
7	the foregoing, such regulations may make provision:	
8	(a) For the licensing of agents;	
9	(b) Requiring both of account to be kept by the licensed agent and	
10	for inspection thereof;	
11	(c) Prescribing fees;	
12	(d) Imposing penalties for offences against regulations made under	
13	this Bill to a limit of a fine or imprisonment or both.	
14	22. -(1) The Commodity Boards Act, Cap C4, LFN 2004 is hereby	Repeal and Savings
15	repealed.	
16	(2) The six bodies collectively called "Commodity Boards" are	
17	hereby dissolved; the assets and liabilities of the dissolved bodies are hereby	
18	transferred to the Board hereto established under section (1) of this Bill.	
19	23. In this Bill, unless the context otherwise requires:	Interpretation
20	"agent" or "licensed agent" means any buying, ginning or other agent	
21	licensed by the Board pursuant to this Bill;	
22	"Authority" means the Price Fixing Authority referred to in this Bill;	
23	"Commodity" means any produce in the Second Schedule to this Bill;	
24	"Board" means the Nigeria Commodity and Grain Board established	
25	pursuant to section 1 of this Bill;	
26	"Export" with its grammatical variations and cognate expressions means to	
27	take or cause to be taken out of Nigeria;	
28	"Produce" means any commodity or grain dealt in by the Board;	
29	"Produce Price" and "Sale Price" have the meanings respectively assigned	
30	thereto in this Bill;	

Short title

1 "Minister" means the Minister responsible for Agriculture and Rural
2 Development.

3 **24.** This Bill may be cited as the Commodity and Grain Board
4 (Establishment) Bill, 2019.

5 SCHEDULES

6 FIRST SCHEDULE

7 SUPPLEMENTARY PROVISIONS RELATING TO THE PROCEEDINGS OF THE
8 BOARD. S. 5 (3)

9 *Proceedings of the Board*

10 1. Subject to the provisions of Section 27 of the Interpretation Act
11 (which provides for decisions of a statutory body to be taken by a majority of its
12 members and for the person presiding to have a casting vote), the Board may
13 make Standing Orders regulating its proceedings or nay Committee thereof.

14 2. The Quorum for a meeting of the Board shall be ten of whom at
15 least one shall be member appointed to represent State Government whose the
16 commodity or grain is produced.

17 3. The Board shall meet not less than four times in each year and on
18 such occasions as the Board may consider necessary.

19 *Tenure of Office*

20 4. A member of the Board, not being an ex-officio member, shall hold
21 office for a period of five years from the date of his appointment and shall be
22 eligible for reappointment for another term and no more.

23 5. A member of the Board, not being an ex-officio member, may
24 resign his appointment by a letter addressed to the President and the resignation
25 shall take effect on the date of receipt of the letter by the President

26 *Export Commodity / Grain Co-Ordinating Committee*

27 6. The Board shall establish a body to be known as the Export
28 Commodity/Grain Coordinating Committee which shall comprise:

29 (a) The Director-General of the Board;

30 (b) a representative of Federal Ministry of Agriculture not below the

1 rank of a Director;

2 (c) a representative of Federal Ministry of Trade and Investment
3 not below the rank of a Director;

4 (d) a representative of the Central Bank of Nigeria (CBN) not
5 below the rank of a Deputy Governor; and

6 (e) a Secretary to the Committee to be appointed by the Board from
7 within the services of the Board.

8 9. The Co-ordinating Committee shall have power to regulate its
9 own proceedings.

10 10. The Co-ordinating Committee shall be responsible for advising
11 the Board on the export of any commodity or grain (whether processed or
12 not) and for other matters ancillary thereto.

13 *Miscellaneous*

14 9. Any member of the Board or any committee thereof who has
15 any interest in any contract or arrangement entered into or proposed to be
16 entered into by the Board or Committee shall forthwith disclose his interest
17 to the Board or Committee and shall not vote on any questions relating to the
18 contract or arrangement.

19 10. The fixing of the seal of the Board shall be authenticated by the
20 signature of the Chairman or any member of the Board authorized in that
21 behalf by the Board.

22 11. Any contract or instrument which if made or executed by a
23 person not being a body corporate would not be required to be under seal,
24 may be made or executed on behalf of the Board by any person generally or
25 specifically authorized by the Board for that purpose.

26 12. Any document purporting to be a document executed under the
27 seal of the Board and authenticated as aforesaid shall be received in
28 evidence and shall unless the contrary is proved, be presumed to be
29 executed.

30 13. The validity of any proceedings of the Board shall not be

1 affected by any vacancy in the membership of the Board or by any defect in the
2 appointment of a member of the Board.

3 SECOND SCHEDULE - S. 20

4 Commodity/Grain and branches to which this Bill applies:

5 1. Ibadan shall regulate the following:

6 (a) Cocoa, Cocoa butter, Cocoa cake, Cocoa liquor, Cocoa powder,
7 Cocoa paste, Cocoa nibs;

8 (b) Coffee;

9 (c) Tea;

10 2. Kano shall regulate the following:

11 (a) Groundnuts, groundnut cake, groundnut oil, and groundnut
12 Pellets;

13 (b) Sheanuts, sheanut oil, sheanut butter and sheanut cake;

14 (c) Ginger.

15 3. Funtua shall regulate the following:

16 (a) Seed Cotton;

17 (b) Cotton-Seed, Cotton-Seed Oil, Cotton-Seed Cake, and Cotton
18 Seed Pellets;

19 (c) Cotton lint and Cotton lintas;

20 (d) Kenaf;

21 (e) Tobacco.

22 4. Calabar shall regulate the following:

23 (a) Palm Oil;

24 (b) Palm Kernel, Palm Kernel Oil, Palm Kernel Cake and Palm
25 Kernel pellets;

26 (c) Cocoa, Cocoa nut oil and Cocoa nut pellets.

27 5. Benin shall regulate the following:

28 (a) Rubber;

29 6. Minna shall regulate the following:

30 (a) Guinea com;

- 1 (b) Maize and Com oil;
2 (c) Millet;
3 (d) Wheat and wheat offals;
4 (e) Rice;
5 (f) Beans.
6 7. Makurdi shall regulate the following:
7 (a) Yams;
8 (b) Cassava;
9 (c) soya beans, soya bean cake, soya bean oil, and soya bean
10 pellets;
11 (d) Beniseed, beniseed cake, beniseed oil and beniseed pellets.
12 8. Enugu shall regulate the following::
13 (a) Palm Oil;
14 (b) Palm Kernel, Palm Kernel Oil, Palm Kernel Cake and Palm
15 Kernel pellets.

EXPLANATORY MEMORANDUM

This Bill seeks to repeal and re-enact the Commodity and Grain Board to effectively address the Government drive towards transformation in agricultural sector.