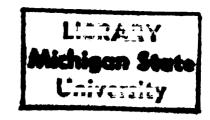


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# A QUALITY CONTROL MODEL FOR OIL PALM FRESH FRUIT BUNCHES (FFB)

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Ernest Meshack-Hart

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Ph.D. degree in Agricultural Engineering Technology

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### A QUALITY CONTROL MODEL FOR OIL PALM FRESH FRUIT BUNCHES (FFB)

By

Ernest Meshack-Hart

A DISSERTATION

Submitted to
Michigan State University
in partial fulfillment of the requirements
for the degree of

DOCTOR OF PHILOSOPHY

Department of Agricultural Engineering

1984

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#### A QUALITY CONTROL MODEL FOR OIL PALM FRESH FRUIT BUNCHES (FFB)

Ву

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AN ABSTRACT OF A DISSERTATION

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#### **ABSTRACT**

# A QUALITY CONTROL MODEL FOR OIL PALM FRESH FRUIT BUNCHES (FFB)

By

#### Ernest Meshack-Hart

The purpose of oil palm quality control is to make it possible for management to take the right action at the right time, so that the objective of the enterprise, to get the highest quality of oil yield may be attained as well as maintained. This is very important because negligence of this matter may result in a financial loss.

Normally, harvesting is carried out in a cycle of several days. Therefore, bunches of different stages of ripeness will be found in the harvest. The harvest composition, that is the proportion of the number of bunches in each class of ripeness, will depend on the minimum ripeness criterion and the harvesting cycle in force. The appropriate criterion and harvesting cycle will depend, among other things, on the rate of ripening, which itself is

influenced by climate. Therefore, the criterion and harvesting cycle should always be adjusted. To make the right adjustment it is very helpful to analyze the crop composition regularly, by sorting a number of harvest samples using the model developed for this purpose.

This research focused on the quality of fresh fruit bunches (ffb) as affected by field factors (harvesting). There were three specific objectives:

- 1. To investigate the possibility of establishing a ripeness criterion by color based on ffa content.
- 2. Evaluate field factors that affect oil quality with ffa content as a primary assessment factor.
- 3. Develop an oil palm harvest analysis model which can aid producers and processors to improve oil quality.

A systems analysis approach was used as the analytical and problem evaluation technique. The resulting generalized data were used for verification of the computer simulation model.

The significant conclusions derived from the statistical and computer simulation analysis were as follows:

The control of percentage detached fruit alone, does not affect the choice of appropriate premium substantially and, therefore, has little or no effect on the revenue

accruing to the farmer. The world market price of \$800 per ton of oil and the quality premium award of 1 percent for every percent below 5 percent are not enough to encourage Nigerian growers to produce high quality oil. To recapture world market share. Nigeria must offer artificial incentives, not based on world market premiums. The color of the outer fruit should be at least 70% ripe color for Tenera and Pisifera variety. However, color alone cannot be used as a ripeness criterion, especially by inexperienced harvesters because of the variations in color within bunches in the same class of ripeness.

To obtain oil of low free fatty acid content from ripe fruit, it is an important requirement to avoid bruising and damage as far as possible at all stages from the time of harvesting to the time of fruit sterilization. It is of paramount importance to ensure that unripe and very ripe bunches are kept to a minimum and that all loose fruit are collected.

Approved

Major Professo

Approved

Department Chairman

#### **ACKNOWLEDGEMENTS**

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The helpful comments and guidance of Prof. Merle L. Esmay, Prof. John B. Gerrish, Prof. Fred W. Bakker-Arkema, Prof. R.D. Stevens, Prof. James H. Stapleton who served on the author's graduate advisory committee are appreciated.

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# LIST OF SYMBOLS AND ABBREVIATIONS

Symbols	Description	Units
FFB FFA MSTD	Fresh Fruit Bunches Free Fatty Acid Minimum Harvesting Standard	Kilograms, pounds Percentage Decimal
LF	Loose Fruit	Kilogram
BW	Bunch Weight	Kilogram
AG	Age	Years
UR	Bunches Classified as Unripe	
RF	Bunches Classified as Ripe	
VR	Bunches Classified as Over-Ripe	
W	Weight	Kilogram
NPV	Net Present Value	Naira
IRR	Internal Rate of Return	Percentage
Pm′	Free Fatty Acid Correction	
	Factor	
NAAC	National Agricultural Advisory Committee	
Estate	A Plantation of Palm Trees	
	with Integrated Farm	
	Settlement	
TD	Time Delay	Days
Pm	Standard Premium	Decimal
DF	Average Percentage Detached	
	Fruit	Percentage
Ħ	Nigerian Currency - Naira	-
P	Original Loan or Principal	Naira
r	Interest Rate	Percentage
n	Time Duration	Years
V	Principal Plus Interest	NT
•	After Time Duration	Naira
A	Equivalent Annual Cash Flow	Naira
Pan	Equivalent Annual Loan Benefits in Each Year	Naira Naira
Bn	Costs in Each Year	Naira Naira
C <sub>n</sub>	Margin Obtained at the End	Nalla
$M_n$	of the Year	Naira
R	% Detached Fruit	Percentage
OPM	% Oil Per Mesocarp Weight	Percentage
Pmt	Payment in Nigerian Currency	20200
	Called Naira (₩)	

#### CHAPTER 1

#### Introduction

The Portugese explorers Ca'da Mosto in 1455-1467, and Duarte Pacheco Pereira in 1506-1508, made mention of oil palm (Elaeis guineensis Jacq.) and its products in the reports of their visits to the West African Coast (Crone, 1937; Mauny, 1956). In 1588 and 1590, small quantities of palm oil were imported to England, but it was not until 1790 that the first import of about 130 tons of palm oil was made from Nigeria to England (Mauny, 1956).

As a result of the dominance of the slave trade and method of trading, the importance of palm products into Europe did not attain much significance in the late eighteenth and early nineteenth centuries. Even when the slave trade was abolished in 1807, it was only from 1830 that the future trade of oil palm was assured by the implementation of active measures to suppress the trade in slaves, and by the encouragement given to the oil trade by the British Government.

The fact that the oil palm has played an important part in the Nigerian economy is reflected in the relatively high value of exports of palm produce to the total national

exports. In 1900, when the total agricultural commodities amounted to 95.6% of total exports, the contribution made by palm oil and palm kernel alone was 81.6% or £1,514,900 (\$2,242,052.00). This continued to be the pattern of export trade until the mid 1920's, when increasing contributions began to be made by cocoa and groundnuts. At this time oil palm products accounted for 53.7% of export earning. The relative importance of the crop in the economy dropped to about 30% during the period 1925-1955 and from 1960-1965 it varied from about 15 to 24% of total export revenue (Oyenuqa, 1967).

During the period 1959-65, commercial exports of palm oil and palm kernels averaged 163,000 and 414,000 tons per annum, respectively. Exports of palm produce from Nigeria, therefore, constitute nearly 30% (palm oil) and 50% (palm kernel) of the world trade in these commodities. Since the exports of palm kernels greatly exceed those of palm oil, the indication was that internal consumption per annum must account for a large part of the palm oil produced. Estimates have placed the amount utilized locally at 150,000 to 200,000 tons of oil annually (Oyenuga, 1967).

Palm oil contains large amounts of carotene from which vitamin A is derived. Since it is used extensively in food preparations in Nigeria as well as in other parts of West Africa, where it is used in stews or eaten raw with yams, plantains or other starchy foods, it is of great dietic

importance in reducing the incidence of diseases due to vitamin A deficiency. In addition, palm oil and palm kernel continue to be used in the manufacture of margarine, compound cooking fats, soap, candles. cosmetics. lubricant in the tin-plating confectionaries and as a industry. Palm kernelcake, which is a byproduct from the extraction of palm kernel oil, is a useful source of protein (about 20%) and is widely used in the rations of dairy and beef cattle, pigs and horses (Oyenuga, 1959).

Further uses of the oil palm include the production of palm wine which is an industry of considerable economic and nutritional importance. The wine which is obtained by tapping excised male inflorescences is an important source of vitamin B Complex. The leaves are used as thatch for covering houses; the leaf rachises provide material for fences and for reinforcing buildings; the midribs of the leaflets can be made into brooms; the bunch refuse is used locally for soap making and the fibre and shell produced after oil and kernel production, are a source of fuel as well as aggregate material for flooring.

# 1.1 Oil Palm Development in Nigeria

The production of palm oil in Nigeria reached its lowest ebb during the Nigerian civil war (1966-70). As a matter of fact, it was estimated in 1978 that Nigeria had

become a net importer of palm oil, to the tune of 30,000 metric tons worth #11 million (\$16 million). The forecast for 1980 was 200,000 metric tons of oil and fat imports for Nigeria.

The prediction by (The Standard Chartered Review, 1978) about the decline in the production of palm oil was not taken seriously because the past performance of Nigeria in the world trade for palm oil had been excellent. (See Table 1.1) In 1961, Nigeria's percentage share in world production was the highest (39.9%). Nigeria continued to be the world's largest exporter of palm products till the inception of the civil war in 1966 when she lost the leadership to Malaysia. Surprisingly, Ivory Coast, which in the past was unknown in palm oil international trade, became a net-exporter owing to a well organized modern oil palm plantation system, for example, "Sodepalm Palmivoire Abidjam Coted'lvoire."

The development of oil palm industry in Nigeria has made some progress but very slow in making the desired impact. The trade in palm produce started in the Eastern Nigeria as "Oil Rivers Protectorate," extending along the southern part of the country, covering cross river, Rivers, Anambra, Imo, Bendel and Ondo states. (Figure 1.1)

At the initial stage, the exportable palm produce depended on wild oil palm groves. The "Oil Palm Belt" developed with particular abundance in the Eastern region of Nigeria, stretching from Calabar to the bank of the Niger

Table 1.1 Nigeria's Percentage Share in World Production of Palm Kernel 1961-65, 1969-71 & 1978-80

Producing Region/Country	Percentag	e Share of N	World Total
	1961-65	1969-71	
Nigeria	39.9	24.4	18.5
Zaire	10.4	8.4	4.3
Sierra Leone	5.3	5.1	1.7
Benin	3.5	3.5	2.7
Cameroon	3.5	3.5	2.7
Ivory Coast	1.7	1.6	1.7
Indonesia	3.2	4.2	6.7
Malaysia	2.8	8.4	28.0
Africa	76.0	62.0	41.1
Asia	6.0	15.1	37.6
South America	15.2	21.1	19.2
North Central America	2.8	1.8	1.1
Oceania	0.0*		1.0

World Average Annual Production (Metric Tons) 1,050,400 1,178,651 1,658,345

\*NOTE: Insignificant share in world total product tone.

SOURCE: Computed from F.A.O. Production Yearbook

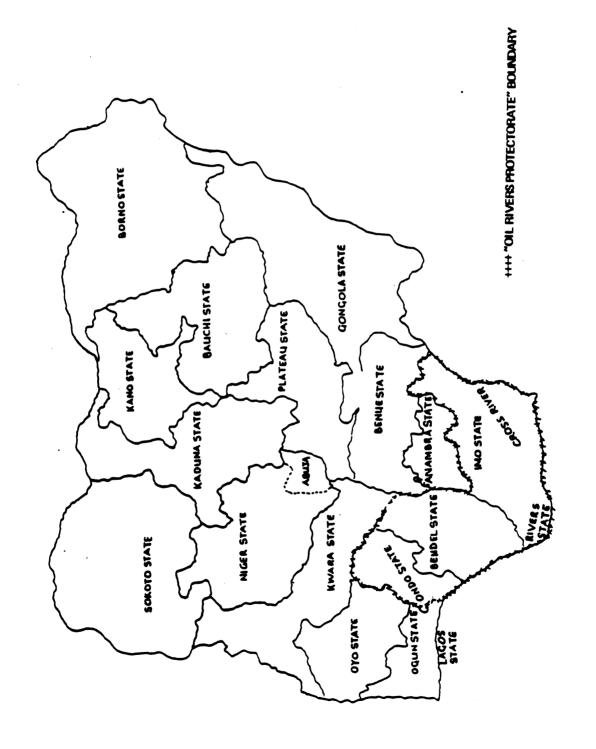


FIGURE 1.1 MAP OF NIGERIA SHOWING THE NINETEEN STATES

AND "OIL RIVERS PROTECTORATE"

and to the forest areas of Western Nigeria. It was the oil palm development in the Belgian Congo, Malaya, and the Netherland East Indies Java and Sumatra in the Far East that made it mandatory that if Nigeria's oil palm produce was to survive, immediate steps must be taken to rehabilitate the wild oil palm groves. The first oil palm replacement scheme was launched in 1926. This started effective operation in 1928 and by 1935 only 21 acres (about 13 hectares) were planted by six farmers.

It is important to note that during 1948/52, all the revenue from oil palm products came predominantly from exploitation of the uncultivated wild oil palm trees. Therefore there has been the need for better quality product and price differentials in order to sustain Nigeria's revenue from oil palm produce.

The department of agriculture in the early 1920's and 1930's established demonstration oil palm plots to study the yield potentials of selected oil palm trees. After the West African Agricultural Conferences of 1920 and 1927, the Oil Palm Research Station (OPRS) near Benin was established in 1939. In 1951, the station was transformed into the West African Institute for Oil Palm Research (WAIFOR) and in 1964, to the Nigerian Institute for Oil Palm Research (NIFOR).

The United African Company was in the forefront in the palm produce trade in Nigeria. This company provided the

bulk oil plants set up at Portharcourt, Burutu, Abonema, Koko, Opobo and Calabar where palm oil was refined before shipment. (Figure 1.2) In addition, the U.A.C. established two large oil palm plantations, the Pamol Ltd., at Ikot Mbo near Calabar and Cowan Estate at Ajagbodudu near Sapele. The company also introduced hydraulic stork mills to process palm oil and kernels at these planations.

In 1945, the colonial Government of Nigeria requested the UAC to design Pioneer Oil Mills, for it had become evident that the crude local method of processing could not compete with the product of modern oil palm plantation of Belgian-Congo and Malaysia.

Before this request, the hand Screw Press (Dutscher Press) was introduced to Nigeria in 1932 in order to improve the quality of palm oil produced in the country (Hartley, 1965). By 1938, about 834 farmers had purchased the Hand Press for their operation. It must be noted that by the native method the oil extraction is about 45% while the Hand Screw Press has 65% extraction of palm oil.

Eventually, the Government introduced the Pioneer Oil Mills in 1946. By this Pioneer Oil Mill process, the fibre and nuts are separated by hand as well as the separation of shell and kernels. The reason for not completely adopt mechanizing the process was to an appropriate technology that would provide employment for men, women, and children in the oil palm belt area. The Pioneer Mill

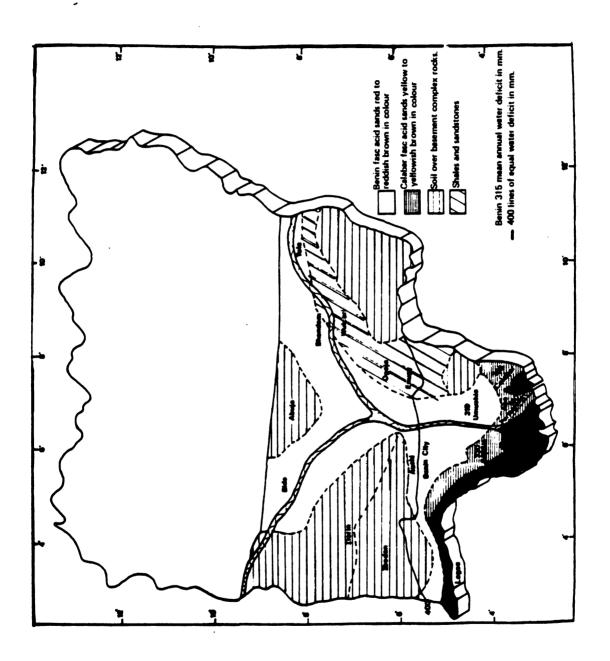


FIG. 1.2 MAP OF NIGERIA SHOWING SOIL TYPE WHERE OIL PALM CAN BE GROWN AND ALSO IHE OIL MILL LOCATIONS AND TWO LARGE PLANTATIONS ESTABLISHED BY THE UNITED AFRICAN COMPANYIUAC).

required a staff of about 30 persons to run. It could process 100 tons of fruit per month in 8 hour shifts. The extraction rate of oil by the Pioneer Mill was about 85%, whereas the UAC owned automatic stork mills at Ikot and Ajagbodudu had 95% extraction of oil.

At the end of the Nigerian civil war in 1970, there were 26 of these mills salvaged in the former East Central State. Of these, four are located in Cross River and River States. Many of these mills have since been in a state of disrepair, although the agricultural development authority did reactivate 26. In Orlu areas of Imo State, the Dutscher Press (Hand Screw Press) is still very popular. This is also the case in many palm oil producing areas.

The stork hydraulic hand press developed by the Nigerian Institute for Oil Palm Research (NIFOR) was introduced to increase palm oil extraction by small-scale producers but this has not gained as much universal acceptance as the Hand Screw Press. The oil extraction of the stork hydraulic press is estimated at 90 percent.

By 1956, the grades of palm oil for export were: (1)

Special Palm Oil, 5% ffa or over but not more than 9% ffa;

(2) Technical Palm Oil Grade II over 9% but not more than

18% ffa; (3) Technical Oil Grade III over 18% but not more than 30% ffa.

By 1980, the grades of palm oil for export were: (1) Special Palm Oil; not more than 3.5% ffa, (2) Technical Palm

Oil Grade I over 3.5% to not more than 18%. Technical Palm Oil Grade III was eliminated.

Palm oil and palm kernel of "first quality" are the exportable palm oil and palm kernel. A "first quality" palm kernel is that which is dry and hard while a "first quality" palm oil is that which contains not more than 5% ffa, less than 2% by weight of dirt and water, and is not adulterated. The concept of the "first quality" is to have palm produce which is safe for human consumption and which can compete favorably in the world market.

Historically, palm oil has been considered less attractive than many other oils. This, however, dates from a period when palm oil reached Europe with a free fatty acid (ffa) of 20-25% while also highly oxidized. Modern cultivation and processing have improved the image of palm oil for shortenings, deep frying and production of margarine (Hartley, 1967).

The future growth of the use of palm oil in fat blends and cooking oil will depend on how well Nigerian growers can meet the need of the edible oil refining industry. In this direction, this project highlights criteria and other various field factors which will promote the production of high quality palm oil with low content of ffa and a low content of moisture, impurities, and of heavy metals, low oxidation value and excellent bleachability.

There is need for Nigerian producers of palm oil to

become aware that a low ffa is the first characteristic to which edible oil refiners pay attention and hopefully it will be a good ambition to create a special Nigerian identity for its palm oil so that it will hold great attraction for edible oil refiners not only in Nigeria but even more in the overseas market.

# 1.1.1 Policies and Programmes for Oil Palm Development in Nigeria

The special importance of the oil palm as a crop lies in the fact that palm oil is the main source of fat for the Nigerian population. Palm produce provides raw materials for industries, plays a vital part in exports, can absorb a large number of the working population and can provide a substantial share of the capital necessary for development. In view of the role of palm produce, recent policies have been re-orientated towards an increase in productivity and The report of NAAC (National Agricultural Advisory Committee) contains a table of production to match the estimated value of ¥600 million (\$882 million) export-earning schedules for 1980. The NAAC admits that because of probable falling prices, it is necessary to more than double the present area to meet the required export goals.

The projected figure for palm produce is given in (Table 1.1.1). In the table, it is assumed that the areas planted in 1975-80 will produce by 1985 while 1980-85

Projected Figures for Palm Produce Table 1.1.1

Pri	Production	Area (ha.)	Bunch Yield (tons/ha.)	Bunch Production (tons)	Oil Production** (tons)	Kernel Production (tons)
Ä.		26,077	11.3	294,382	41,213	13,267
	Established 1971-74	20,655	8.9	139,382	19,586	6,295
	Established 1975-80	35,369	8.9	239,564	32,522	10,780
œ.	Smallholder Schemes and Other Settlements Established 1971	39,858	6.3	249,972	34,956	11,249
	Established 1971-74	49,100	7.3	357,204	50,009	16,074
	Established 1975-80	166,271	6.3	1042,784	145,989	46,925
ပံ	Wild Palm Groves	235,913	2.5	591,820	627,329	414,274
Tot	Total Production			2,915,108	951,644	518,864
	•					

<sup>\*</sup> Includes Ministry farm \*\* Extraction rates for palm oil (14%) and kernel (4.5%) Adapted from NAAC report

plantings will not contribute yield worthy of inclusion in the total yield figures. By 1985, a total of 951,644 tons of oil and 518,864 tons of kernel will be produced.

Although the production has dropped over the past few years as a result of the Nigerian civil war and the world market situations, there are major oil palm plantations in the following states, Anambora, Bendel, Cross River, River, etc. (Table 1.1.2) The Western, Bendel, and Lagos States account for 30%; the remaining 5% is being produced in the Northern States by Kwara, North-Western and Benue-Plateau States.

About 90% of the total production of palm produce was from semi-wild groves of which there was an estimated area of 6 million hectares. These wild groves were either in smallholdings or free. The remaining proportion was obtained mainly from estates and from settlements. The country has improved in her "Tenera" hybrid palm which can produce at least six tons of bunches per hectare as against three tonnes per hectare of wild groves. The improved Tenera hybrid palms were adopted in the 1950's by the former West African Institute for Oil Palm Research (WAIFOR) now NIFOR. The Institute has also advanced in agronomic practices for producing palm seedlings and established fertilizer response coefficients under field conditions. Processing of palm oil is accomplished through mechanized mills and traditional processes. Marketing of produce for

Table 1.1.2 Areas Under Major Oil Palm Plantations, 1982

State	Area Under Major Oil Palm Plantation (ha.)
Anambora	2,572
Bendel	13,786
Cross River	15,888
Rivers	8,814
Imo	5,811
Lagos	108
Ogun	1,667
Ondo	11,593
Oyo	60
	60,299 ha.

Source: NIFOR, Progress Report on the 1982 Annual Research Programme -- Oil Palm Programme

export is carried out by the State marketing Board through licensed buying agents. Local markets for palm produce are concentrated in the hands of middlemen and palm produce dealers.

Most of the programs are carried out on a State level. The State programs involve expansions in output through an increase in area. The increase in area takes the form of rehabilitation of wild palm groves as output per hectare of an estate or rehabilitated grove is assumed to be higher than that of wild grove. It was estimated that by 1985, the field of all palm areas will be improved by approximately 13%, equivalent to an area estimated at 337,000 ha. out of which the Smallholders Development Scheme will account for 70 percent.

The States mainly affected are Imo and Anambra States, Cross River State, Rivers, Oyo, Ondo States, and Bendel State. However, Kwara and Niger States proposed to develop Smallholder Development Schemes of 166 and 42 hectares, respectively.

The consortium for the study of Nigeria's Rural Development (CSNRD) suggested: (i) priority to be given to Smallholders in the expansion of oil palm production, (ii) development of State governments oil palm campaign for 1970-75 period through subsidy and loan components; and (iii) loan program for 1975-80 for the financing of oil palm expansion after eliminating marketing Board and exporting

taxes on oil palm.

## 1.1.2 Smallholders Scheme

This is one of the programs geared towards increasing oil palm production. In all the oil palm producing states, the program is emphasized.

## 1.1.3 Smallholder's Unit - Ahoada

A good example of the Smallholders' Scheme is located in Ahoada, Rivers State of Nigeria. Similar schemes are scattered all over oil palm producing areas. For a farmer to be eligible to participate in Ahoada Scheme, the farmer must own a minimum of one hectare. The State government makes a cash advance of \$300.00 (\$441.00) in four installments. The first year, \$180.00, the second year, \$150.00, third year, \$140.00 and fourth year, \$30.00. This loan is repaid with a 9.5% interest and has a 7 year grace period.

The government further supports the farmers with free fertilizer, seedlings, transportation of seedlings and fertilizer and protection of the plantings. When the palm fruit mature and are harvested, the fresh fruit bunches (ffb) are bought by the government for processing into palm oil. The current (1984) rate is N75.00/ton (\$110.215) of ffb.

#### 1.1.4 Smallholders' Problems

The main problems of the Smallholders in Rivers State are very much common to other Smallholders in the other

## States. These are:

- i. Poor funding whereby the loans are not paid at regular or stipulated periods.
- ii. The farmers feel cheated the government clerks use faulty scales in weighing their palm produce.
- iii. The payment for the supply of fresh fruit bunches is unduly delayed.
- iv. Lack of good access roads to the plantations and also inadequate transportation system to move the palm produce to the mill for processing.
  - v. Lack of incentives for the growers.
- vi. Shortage of labor, especially harvesters, when the tree is tall.

All of these problems, coupled with poor field supervision, are responsible for the low productivity and poor quality oil. (Table 1.1.4, 1.1.5)

# 1.2 Objectives of the Study

The general objective is to obtain information on the changes in ffa content with fruit bunch ripeness and color and then translate this information into practical use to improve oil quality. The specific objectives were:

- (i) To investigate the possibility of establishing a ripeness criterion by color based on ffa content.
  - (ii) Evaluate field factors that affect oil quality

Oil Palm Planting Targets and Achievements, 1975-1980 Smallholders' Oil Palm Development Projects Table 1.1.4

Smallholders Project	1975-80 Planting Target Hectares	Annual F 1975 197	Annual Planting Achievements (Hectares) 1975 1976 1977 1978 1979 198	lanting Achievements (Hectares) 6 1977 1978 1979 1980	Achi es) 1978	<b>eveme</b>	nts 1980	1975-80 Total Planting (Hectares)	1975-80 Planting Achievement as Percent of Target
SMU Owerri	16,000	1	415	853	853 1588 1899 2320	1899	2320	7,075	44.2
TCU Bennin	8,000	I	262	267	532	633	860	2,554	31.2
SMU Okitipupa	4,000	;	124	238	251	301	256	1,170	29.2
SMU Ahoada	3,400	1	ŀ	ŀ	183	744	744 1475	2,402	70.6
ODS Calabar	20,000	3410 10]	_	4 2432 3203 2548 1745	3203	2548	1745	14,335	71.7
Total	51,400	3410 18]		18 3790 5757 6105 6656	5757	6105	9999	27,536	53.5

NIFOR, Progress Report on the 1982 Annual Report Research Programme Source:

Oil Palm Targets and Achievements, 1975-1980 Estate Oil Palm Development Projects Table 1.1.5

Projects	1975-80 Planting Target (Hectares)	1975	1976	1977	1978	1979	1980	1975-80 Total Planting (Hectares)	1975-80 Planting Achievement as Percent of Target
Risom Palm (Rivers State)	000'9	1	:	1	125	925	1900	2,950	49.2
OPC (Bendel State)	6,240	597	1505	1125	120	382	1089	4,818	77.2
0.0.P.C. (Ondo State)	000'9	320	85	400	257	502	ł	1,564	26.1
Okumu Federal Oil Project	5,300	ł	1	200	200	300	200	1,200	22.6
Ore-Irela Federal Oil Palm Project	5,300	;	;	346	754	517	837	2,454	46.3
Aiyip-Eku Federal Oil Palm Project	5,300	-	}	;	200	1000	009	2,100	39.6
Total	34,140	917	1590	2071	2256	3626	4626	15,080	44.2

World Bank Nigeria Oil Sub-Sector Review, July 1981 Source:

with ffa content as a primary assessment factor.

(iii) Develop an oil palm harvest analysis model which can aid producers and processors to improve oil quality.

# 1.2.1 Present Method of Evaluating Fresh Fruit Bunch Supply by Farmers

In the past, there was no standard method of evaluating the quality of ffb supplied by the farmers or delivered at the Mill for processing. The general method common to all the major processing mills was evaluation by visual inspection. The payment for bunches was based on distance only, in which case it was assumed that all the bunches were in optimum condition, except the green and rotten bunches which were rejected.

The NIFOR Mill Company has the following rates for ffb: From 0 to 50 km, a metric ton is #67.00

55 to 100 km, a metric ton is ₹70.00

greater than 100 km, a metric ton is 75.00

The farmgate price for locations within 50 km from the Mill is N50.00/ton.

# 1.2.2 Problems Associated with the Present Method

Some of the problems associated with the present method of assessing fresh fruit bunches were:

(i) It was based on distance only. The majority of the farmers have acute transportation problems. When the bunches were collected by the Mill Company, they were purchased at farmgate price.

- (ii) The quality of the bunches was not given a serious consideration during the evaluation process, except the green and rotten bunches were discarded. No thought was given to the fact that the most efficient processing facility cannot guarantee high quality oil, if the quality of the fruit arriving at the factory was poor. Therefore, quality control begins in the field.
- (iii) The use of visual inspection is not only unreliable but also deceptive. If a black or green immature fruit bunch is harvested and left on the ground, it will show symptoms of ripeness after a few days (Arokiasamy, M., 1969) but its oil content will be low. This phenomenon could be exploited by dishonest farmers.
- (iv) The small farmers who constitute the bulk of the producers are exploited and incapacitated in the repayment of their loans because the present method tends to be arbitrary and subjective. The fate and future of the farmers, therefore, lie in the hands of the unscrupulous assessment officers.
- (v) The present method breeds malpractice and corruption because there are no set procedures and standards for assessing the quality of the fresh fruit bunches. As a result of these malpractices, rotten and severely bruised bunches are passed as good and paid for. This results in poor quality oil.

#### CHAPTER 2

#### Literature Review

# 2.1 Field Factors Affecting Oil Palm Quality

Knowledge of the field factors which affect oil quality is inadequate (Gray and Bewan, 1969). The fact remains, that efforts to improve processing, storage and shipment of oil are to no avail if the quality of the fruit arriving at the mill is poor. Some of the factors which may influence oil quality are genetical, agronomic, environmental, palm age and are due to improper harvesting techniques.

# 2.1.1 Effects of Age and Environment

A general field observation has been that the age of the palm is of some significance because fruit ripening seems to be faster on young palms just coming into bearing. Age also affects ffa level through the height factor, with falling fruit being damaged to a greater extent in older, taller palms (Gray and Bevan, 1969). In addition, visual assessment of ripeness becomes more difficult as the palms

grow taller.

There is little evidence that the chemical composition of palm oil may be influenced by environment. Geographical variations have been noted in the content of unsaturated acids (Eckey, 1954) and Jacobsberg, 1969). The soil characteristics affect the chemical composition of palm fruit and the oil palm quality (Arokiasamy, 1969). The observations made so far have been totally subjective (Richards, 1969).

## 2.1.2 Agronomic and Seasonal Effects

There are no published data concerning the effects of agronomic factors, such as the effect of fertilizer type and amount on oil quality. Since bunches with poor fruit set tend to be partly rotten at harvest time, assisted pollination may have a beneficial effect on oil quality (Gray and Bevan 1969).

The rate of ripening is known to be affected by seasonal variations (Broekmans, 1957), (Hartley, 1967) and differences have been noted in composition and plasticity where wet and dry seasons are sharply distinct (Loncin, and Jacobsberg, 1965). Sunshine may influence carotene levels, whilst rainfall may cause bruising where the exocarp has become soft with ripening (Bunting, et al., 1934) although this is probably not of considerable practical significance where climate is reasonably constant (Hartley and Nwanze, 1965). Low temperatures have also been implicated in high

ffa levels (Wolvesperges, 1969).

#### 2.1.3 Genetical Factors

Little is known of any variations in oil quality which might be related to particular types of planting materials. Differences both between and within progenies have been recorded in carotene content by Ames, Raymond, and Ward, (1960) and Arnott, (1966) and Purvis, (1957), although this appears to have little effect on bleaching. Bleaching is significantly impaired only when high temperatures have resulted in the formation of oxy-carotenes (Hiscocks and Raymond, 1964).

## 2.2 Harvesting Standards and Quality

No matter how good the processing or shipping, these are immaterial if the quality of the fruit arriving at the factory is poor. Hence, quality control begins while the fruit is still on the palm and is very closely connected with harvesting standards and practice (Gray and Bevan, 1969). This aspect of quality control cannot be over-emphasized, especially since oil quality and ffa content are affected (Hartley, 1967) and Gebr, Stork and Co. 1960). One week before ripening, the oil content may have reached 80% of the final amount (Arnott, 1966, Bunting, Georgi, and Milsum, 1934; Crombie, 1956). During periods of low oil content, palmitic and linoleic acids predominate, with oleic acid occurring only in very small quantities. During the final week of ripening all oils increase in amount, but that of oleic acid shows the greatest increase to become second to palmitic acid in quantity (Crombie, and Hardman, 1958). The final oil change occurs simultaneously with color change and the exocarp becomes softer on ripening (Arncott, 1966), (Bunting, et al., 1934).

The objective of harvesting is to combine maximum oil yield with an acceptable ffa level. At an estate where the annual crop is 50,000 tons of fresh fruit bunches (ffb), harvesting under-ripe fruit has been estimated to result in an oil loss of 900 tons (Speldewinde, H.V. 1968). Under-ripe fruit contains less ffa but also less oil; overripe fruit has a much higher ffa content and bleachability is also impaired (Jacobsberg, 1969). In addition to oil quantity, changes occur in the chemical composition of the oil during the final phase of ripening.

# 2.2.1 Determination of ripeness

There is little experimental evidence on which to base an exact criterion of ripeness (Bevan and Gray, 1969) and this one aspect of quality control which is urgently in need of full and accurate investigation. One of the major difficulties in this determination is the interval between the time when the first fruit ripens on a bunch and the last, which can be as long as 16-20 days (Bevan, Fleming, and Gray, 1966), Gebr, Stork and Co. (1960), Grut (1966).

The commonly used determining factor of bunch ripeness is the percentage of detached fruit from a bunch. This

measure of ripeness is used by harvesters and also applied by supervisors in the control of harvesting, but the true test of its validity as a ripeness indicator is whether or not it relates to oil quality and quantity (Southworth 1976). Southworth further elaborated on the best definition of a detached fruit, as one that can easily be removed from the bunch by hand, this is not the same as a fallen fruit, though it is closely related.

Studies in the Congo showed that the maximum oil percentage occurred at 50% loose fruit, but the increased oil must be balanced against a reduction in price due to higher ffa content (Dufrane and Berger, 1957). Other have (Gerard, criteria been suggested Renault, Chaillard, 1968). With the close relationship between ffa level and loose fruit number under normal conditions of estate practice, it could well be preferable to collect and process loose fruit separately. Harvesting interval is of obvious importance in quality control since the larger the interval the greater will be the number of loose fruit and hence a higher ffa level. An interval of 7 days and certainly not exceeding 10 days would seem desirable (Turner and Gilbanks, 1974).

# 2.2.2 The Effect of Degree of Ripeness on Quality and Quantity

The number of detached fruit and the ffa content of oil have been correlated. Dufrane and Berger (1957) showed a

linear relation between ffa and percentage detached fruit. Ng. and Southworth (1973) confirmed a linear relationship with a slope of 0.1262. Thus, for every 1% change in percentage detached fruit, ffa increases by .13%. There have been many studies of changes in oil content with time. For example, studies by Rajaratnam and Williams (1970) and Thomas Phang Sew, Chan, Easua and Ng. (1971). Figure 2.1 shows a typical curve of oil content against time after anthesis.

According to study, by Rajaratnam and others, oil content as measured by percent oil/dry mesocarp starts to accumulate rapidly 110 days after anthesis. At 150 days after anthesis (which corresponds to the first fruit becoming detached) oil content levels off to some extent although it still continues to increase until all the fruit are detached.

The important period of time with respect to harvesting is the time from the first fruit detachment onwards. Unfortunately, evidence in the literature oil on accumulation during this period conflicts. Dufrane Berger (1957) showed that percent oil/mesocarp increases linearly until at least 50% of the total fruit They used oil fresh mesocarp as a measure of oil accumulation, but with a different sampling procedure as that of Desassis (1957). They analyzed 400 Tenera bunches, at different stages of ripeness, at Bokonje in the Congo.

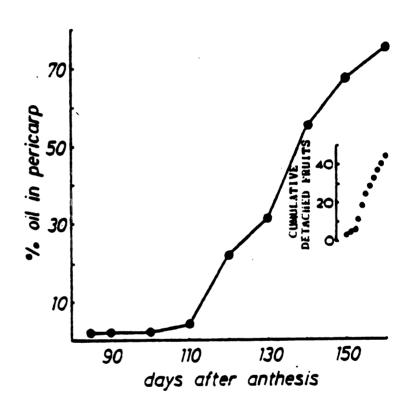


FIGURE 21 OIL SYNTHESIS IN FRUITS OF TENERA PALMS IN MALAYSIA.

(AFTER RAJARATNAM & WILLIAMS 1970)

After normal harvesting each bunch and its loose fruit were analyzed separately.

Ng. and Southworth (1973), however, demonstrated a curvilinear increase in percent oil/mesocarp; the rate of increase slowing down after 20% of the fruit has become detached from the bunch. Maximum percent oil/mesocarp occurs at about 30% detached fruit to total fruit.

Wuidhart (1973) showed that percent oil/mesocarp and percent oil/dry mesocarp increase up to 6% detached fruit/ffb. This corresponds to approximately 9-11% detached fruit to total fruit. The reasons for the apparently contradicting evidence in past studies are either in the methods of sampling or in the method of expressing oil yield or both.

# 2.2.3 The Effect of Collection and or Transportation on Quality

Rapid movement of fruit to the loading points as early as possible is very important for efficient factory operation as well as for quality control. It is well recognized that collection and transportation of fruit must take place as quickly as possible (Bevan, Fleming, and Gray, 1966), (Coursey, 1965), (Olie, 1969). Mechanized means of picking up loose fruit would greatly accelerate collection and if properly designed, could also reduce both damage and dirt contamination.

Roadside collection points also need to be arranged so

as to stop dirt collection, and apparent increase in ffa content of fruit kept in the sun for a long time. (Bek-Nielsen, 1969) Considerable interest has been generated in Malaysia in the use of containers for fruit transport (Cunningham, 1969) which could reduce both dirt and damage. After the initial sharp rise in ffa levels following damage, later increase is comparatively slow but still significant. For this reason every effort should be made to process all fruit harvested on the same day.

## 2.3 Delay on Processing and Quality

There is not enough evidence to show that there is a relationship between speed of fruit transport to the Mill and processing (Gray and Bevan, 1969) although there are strong indications that rapid collection and transport are necessary for the production of high quality oils.

It is still doubtful if oil with very low ffa content can be obtained where fruit is processed on the same day as bunch cutting. A plantation trial in Malaysia, concerning the relationship between delay in processing and ffa level gave the following results:

Table 2.1 Rate of Acidification - Tenera

No. of days between harvesting and processing		fa levels l Batch 2	(percent) Batch 3
0 .	1.80	1.96	2.04
1	2.32		
2		2.89	2.13
4	3.31	3.46	2.23

Source: Gray and Bevan (1969)

Rapid processing of fresh fruit bunches is necessary in order to eliminate the delay factor in quality deterioration and this requires close coordination between field and factory operations or growers and processor (Fleming, 1969 and McCulloch, and Anderson, 1969). In peak seasons it is preferable to leave fruit on the palms rather than harvest it and leave it lying around, since there will be a slower rise in ffa content in unharvested fruit (Bevan, Fleming, and Gray, 1966 and Hartley, 1967).

## 2.4 Fruit Damage and Quality

The amount of bruising or damage to fruit influences quality, especially in the amount of ffa and perhaps oxidation in the oil. Some damage is unavoidable, but much could be reduced, both during handling in the field and transport to the Mill (Wolvesperges, 1969). The palm fruit contain an enzyme, lipase, which causes the breakdown of oil into fatty acids and glycerol after the vacuolar membrane around the oil constituents in the cell has been broken, either through damage or decay (Gray and Bewan, 1969). The rate of enzymic conversion of fats into fatty acids is very

high and it has been shown that the ffa content of fruit rises from below one percent to over six percent within 20 minutes of bruising (Bek-Nielsen, 1969), with slower but steady and significant rise with time after this. (Figure 2.2) This is of considerable practical significance. not practically possible to stop the enzymic reaction until this is brought about by high temperature during the Therefore, it is apparent from these sterilizing process. basic considerations that the most important requirements for obtaining oil of low ffa content from ripe fruit is to avoid bruising and damage as far as possible at all stages from the time of harvesting to the time of fruit sterilization.

Damage occurs at various stages during harvesting and mill handling and some of the sources of damage are listed below: (Gray and Bewan, 1969)

- (i) The fall of loose fruit to the ground. The level of ffa in this connection will be related to the number of loose fruit used as the harvesting criterion.
- (ii) The fall of fruit bunches after harvesting, with much depending on palm height.
- (iii) The way fruit and bunches are handled prior to collection; fruit thrown into baskets and onto the ground.
- (iv) Transfer of fruit from collection points. Rough handling (long-distance throwing into trucks with associated misses, etc.).

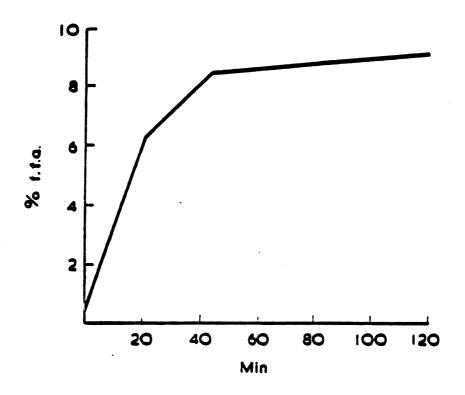


FIGURE 2.2 PRODUCTION OF FREE FATTY ACIDS IN THE MESOCARP OF OIL PALM FRUIT FOLLOWING BRUISING (Bek-Nielsen, 1969)

- (v) Dirt ground into the fruit surface, damages tissues, influencing both dirt and ffa content.
  - (vi) Rough roads over which fruit is transported.
- (vii) Tipping from transport onto ramps and into storage compartments or sterilizer cages.

(viii) Vehicles run over loose fruit on ramps, etc. and also labor tread onto piles of loose fruit. This would seem to be a particularly bad source of ffa increase.

Mechanized harvesting and interrow collection could well be of value in reducing damage.

## 2.5 The Color of the Palm Fruit

The varieties of oil palm distinguished by the color of the fruit have long been recognized by Chevalier (1910), and Vanderweyen (1952). The later listed the following types:

Nigrescens Albo-Nigrescens Virescens Albo-Virescens

In Vanderweyen system, the term Poissoni is prefixed if a 'mantle' (a ring of supplementary carpets) is present, and the terms Dura, Tenera, or Pisifera may be added to designate the internal form of the fruit. At full maturity, Nigrescens has been described to have a reddish orange color of varying intensity. While Virescens is green before

ripening, but at full maturity the color is light reddish orange (Figure 2.3).

Some studies (Purvis, 1957) at NIFOR have shown that both the Nigrescens and Virescens types can be divided into subtypes. In Ghana, West Africa, a clear distinction is made in the Nigrescens types, 'Abepa' typically red fruited and "Abetuntum" typically orange fruited but in Nigeria no such distinctions are made (Purvis, 1957).

## 2.6 Economic Evaluation of Tree Crops

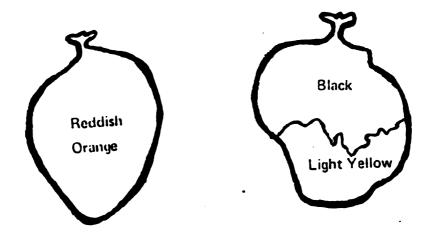
The returns from tree crops are best evaluated by using discounting techniques (Upton, 1973). In discounting, tree crops are treated as a long term investment involving deferred returns. The delay between the input of capital and the receipt of its products complicates the estimation of return on capital. The trace of the pattern of capital values over the life of a project, an asset or an enterprise is known as 'Capital Profile' (Harrison, 1956). The total capital requirement is determined by the peak requirement.

In the use of the discounting technique, the determination of the discounting rate is very important because the profitability of any project or investment is highly dependent on the interest rate.

# NIGRESCENS

Rubro- Nigrescens

Rutilo- Nigrescens



# **VIRESCENS**

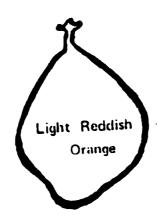


FIGURE 2.3 OIL PALM FRUIT COLOR

#### Chapter 3

#### Oil Palm Harvesting Operations

Harvesting operations can be classified under three broad headings:

- (a) finding and cutting ripe bunches,
- (b) collecting the bunches and loose fruit and carrying them to the collection point, and
  - (c) loading into vehicles for transport to the mill.

The methods by which fruit bunches are harvested and their organization have been subject of some study (Turner and Gillbanks, 1974). In Malaysia, there are some data available on the time required for each section of the harvesting process mentioned above. The time for each component varies, depending on such factors as age, yield, the harvesters' experience, etc. Such information is very relevant both for estimating potential work output per harvester and in determining where possible changes can be made to improve efficiency, economy, and quality control.

## 3.1 Present Harvesting Methods

A palm bunch is ready to be harvested when it has just a few loose fruit. It is essential that each palm be inspected at regular intervals for ripe bunches since over-ripe fruit produces low quality palm oil.

There are three methods of harvesting palm bunches recommended by the Nigerian Institute for Oil Palm Research (NIFOR). In each method, it is essential that only the fresh leaves which hinder removal of the bunch should be cut off.

## 3.1.1 Harvesting with Chisel

This method involves the use of a piece of flat iron 23 cm long, with one end rounded off and well sharpened (Figure 3.1). The other end is bolted to one end of a metal water pipe 23 cm long. Inside the hole at the other end of the water pipe is fixed a wooden handle up to 3/4 meters long after fixing. This implement, called a harvesting chisel, can be made by a village blacksmith. The harvesting chisel is used for harvesting bunches from young low palms. A good harvester needs only one strike and by careful manipulation of the implement can have the stalk cut and the bunch pushed out (Figure 3.2). To avoid inflicting injury on the stem of the palm, much care is required in the use of the harvesting chisel.

# 3.1.2 The Pole-Knife Method

This implement usually referred to as the harvesting

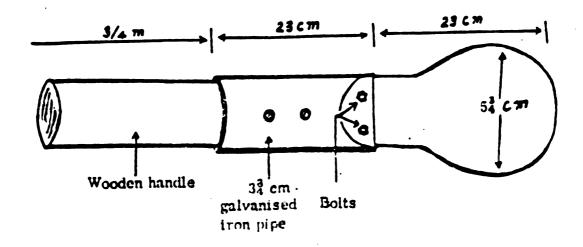


FIGURE 3.1 HARVESTING CHISEL



FIGURE 3.2 HARVESTING WITH THE CHISEL

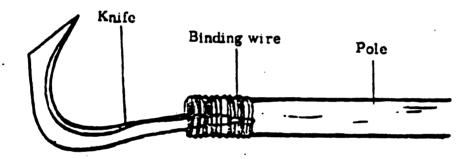


FIGURE 3.3 HARVESTING HOOK

hook or the Malaysian Knife, (Figure 3.3) is used in harvesting bunches from palms which have become too tall to be harvested with the chisel. The Malaysian Knife, is sickle-shaped, and is firmly tied on to a pole (Indian bamboo or any strong "bush" pole) with binding wire. The length of the pole depends on the height of the palms to be harvested. The knife is usually well sharpened, and a sheath is provided to cover the knife when the implement is carried along the road.

When harvesting with a harvesting hook, the harvester stands at a convenient spot to enable him get at the stalk of the bunch (Figure 3.4). If the bunch to be harvested is subtended by one or more leaves, which prevent access to the stalk, the leaves are cut off close to the trunk with the knife. The harvester with the use of the harvesting hook severes the bunch from the crown with a downward pull. A good harvester usually succeeds in getting the bunch down with one pull. Sometimes he may, after the cut, hook the top of the bunch and then pull downwards so that the bunch falls to the ground. A well trained operator using the pole-knife method can harvest palms of about 8 meters height.

# 3.1.3 Harvesting with Climbing Ropes (single and double)

The method of harvesting palm bunches by climbing the palm tree with a rope (single or double) is very popular in



FIGURE 3.4 HARVESTING WITH KNIFE ATTACHED TO THE POLE

Nigeria, especially in the Eastern States -- Rivers, Cross River and Imo State.

The rope system (see Figure 3.5) has the advantage of placing the harvester very close to the bunch but it is a very dangerous and slow method. It does not only expose the harvester to the hazards of being attacked by snakes and other harmful insects, but the harvester also runs the risk of falling from the top of the tree. The usual advice and practice is to cut excessively tall palms and replant the area.

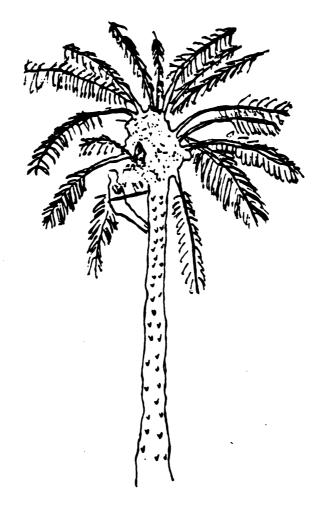


FIGURE 3.5 HARVESTING BY CLIMBING

#### Chapter 4

## Methodology, Data Collection and Analysis

The basic factor that determines the quality of oil from an oil palm fruit bunch is the degree of ripeness at the time of harvest. For good quality oil, the fresh fruit bunches must be harvested in good time and with as little damage as possible to the fruit in order to keep the free fatty acid (ffa) to a minimum.

## 4.1 Methodology and Data Collection

A three month field investigation and data collection was undertaken in Nigeria to determine the influence of harvest operations on oil quality. Data and information regarding quality control measures were collected with reference to their relevance to the research objectives. There were three sources of data and information. (1) Direct field measurements during the harvesting operation. (2) Interviews with oil palm farmers participating in smallholders' scheme. (3) Documentation available at the research institute, eg. Nigeria Institute for oil palm research for supplemental data.

Random samples of fruits from bunches at different degrees of ripeness were obtained from the field and subjected to ffa analysis. Three locations within the oil palm belt region were selected (Figure 4.1). The data were more concentrated on Tenera, the popular variety, than on Dura and Pisifera. The fresh fruit bunch classification was based on the number of detached fruit. No special harvesting was organized for this purpose. Rather the usual harvesters were accompanied and numbers of detached fruit before and after cutting the bunches were recorded. The harvesters cut the bunches as 'ripe' according to harvesting standards laid down by the management. The bunches were examined and classified based on the number of detached fruit. For the purpose of this study, detached fruit were the total of those that had dropped out of the bunch or could be detached by hand. The ripeness classification on which the study was based is as follows:

Code	<pre>% Detached Fruit</pre>	Degree of Ripeness	
0	None	Very Unripe	
1	One loose fruit to 10%	Unripe	
2	10% to 20% of outer fruit	Under ripe	
3	20% to 40% of outer fruit	Just ripe	
4	40% to 60% of outer fruit	Ripe	
5	60% to 80% of outer fruit	Over ripe	
6	80% to 100% of outer fruit	Very over ripe	

Very Unripe: No loose fruit before and after cutting the bunch. It is impossible to loosen any of the outer fruits by hand.

Unripe: One loose fruit to 10% of the outer fruits

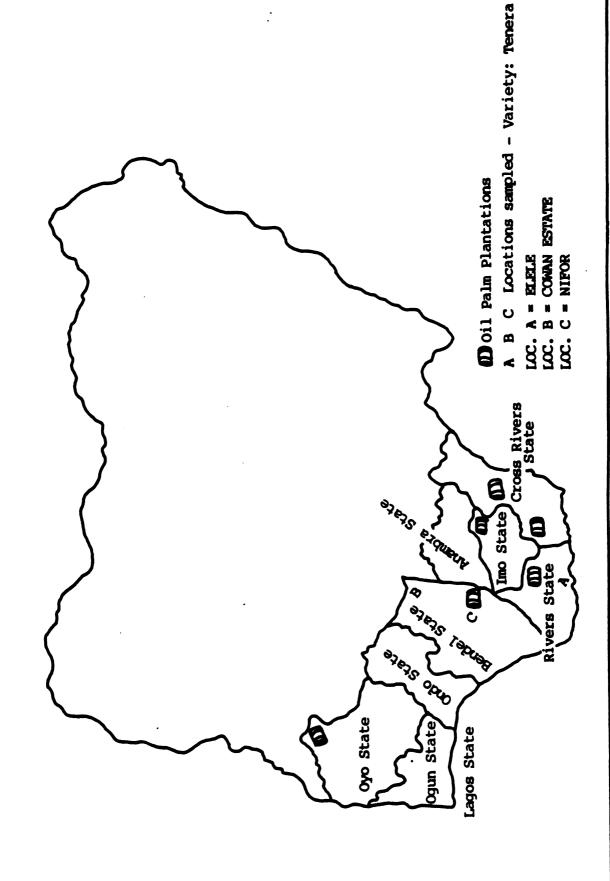


Figure 4.1 Map of Nigeria showing "oil palm belt" and the sampling locations A, B, and C.

detached or detachable by hand.

Under-ripe: 10% to 20% of the outer fruit detached or

detachable by hand.

Just ripe: 20% to 40% of the outer fruit are detached or

detachable by hand. A large proportion of the fruits could be detached by hand with little

difficulty.

Ripe: 40% to 60% of the outer fruits are detached or

detachable by hand. A large proportion of the fruits could be detached by hand with little or

no difficulty.

Over-ripe: 60% to 80% of the outer fruit detached or

detachable by hand. A large proportion of the

fruit could be detached by hand with no difficulty.

Very over-

ripe: 80% to 100% of the outer fruit detached or

detached by hand. Some inner fruit are also

detachable by hand at this stage.

One hundred and thirty-two tests were carried out in (NIFOR) Nigeria Institute for Oil Palm Research, using fruit harvested from mature Tenera palms on three estates. The mean values of (1) number of loose fruit, (2) percentage ripe color, (3) percentage free fatty acid and (4) percentage detached fruit for the seven classes of bunches from the three estates are presented in Appendix 3.

The data obtained were analyzed using the SPSS Statistical Package. The analyses of variance, linear regression and correlation analyses were carried out. A systems analysis approach was used as the analytical and problem evaluation technique. The resulting generalized data were used for verification of the computer simulation model. Details of the statistical analysis are discussed in

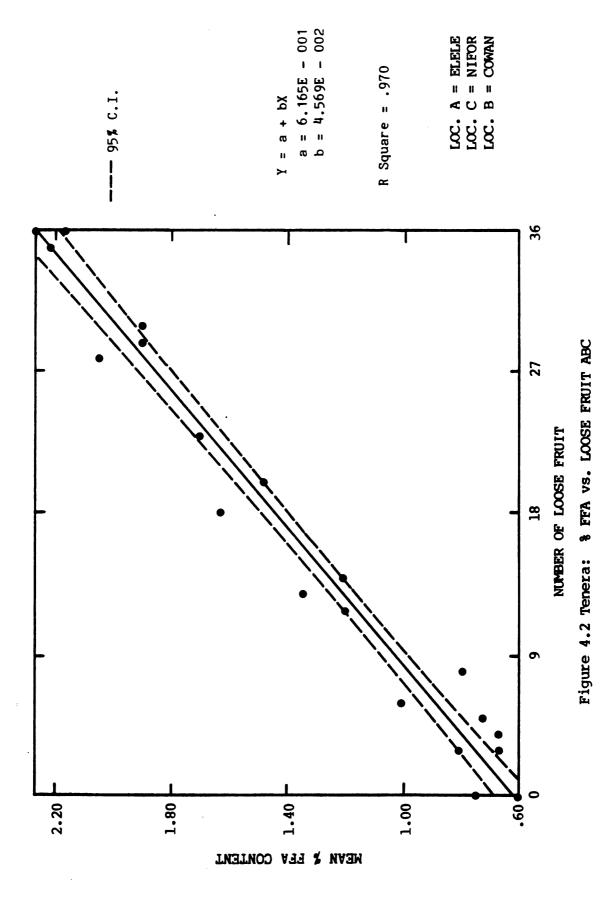
the next section and the model development is presented in Chapter 5.

# 4.2 Statistical Analysis

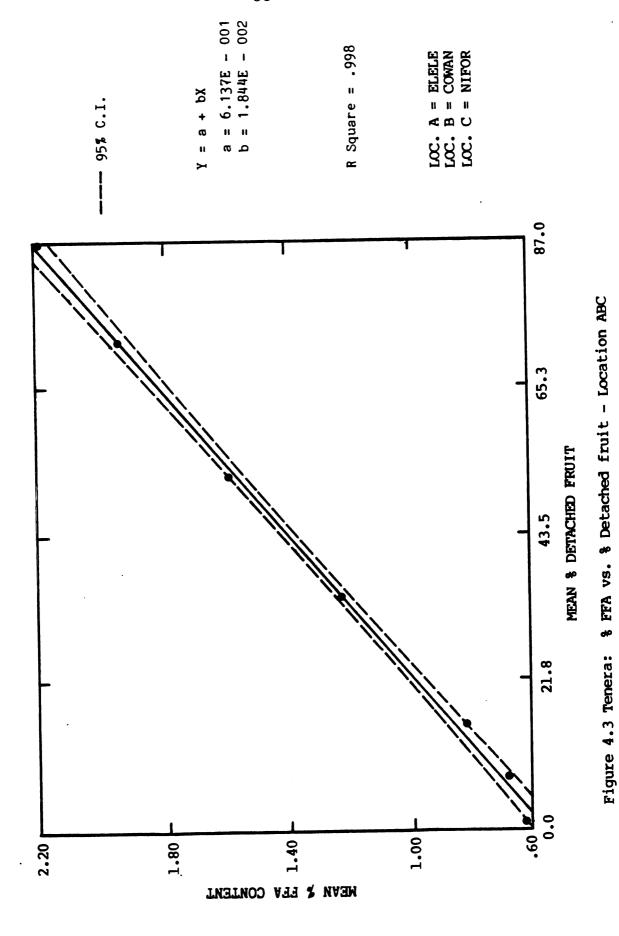
The SPSS statistical package was used in the analaysis A forward (stepwise) inclusion multiple the data. regression analysis was used. This is essentially a search method which computes a sequence of regression equations, at each step adding or deleting an independent variable until a reasonably good "best" set of independent variables are adding obtained. The criterion for or deleting independent variable can be stated equivalently in terms of error sum of squares reduction, coefficient of partial correlation or F-statistic.

An investigation of the relationship between the dependent variable and other independent variables by means of graphs was made. The plots of mean free fatty acid with the corresponding means of number of loose fruit, percentage ripe color and percentage detached fruit for bunches of the same class were made. The plots for the three locations were found to be linear and highly correlated (Figures 4.2, 4.3, 4.4).

The percentage detached fruit explains 99% of the change in percent free fatty acid (ffa) content with degree of ripeness. Table 4.1 summarizes the regression analysis of the three varieties, with respect to free fatty acid and ripeness (percent weight of detached fruit at 95% confidence









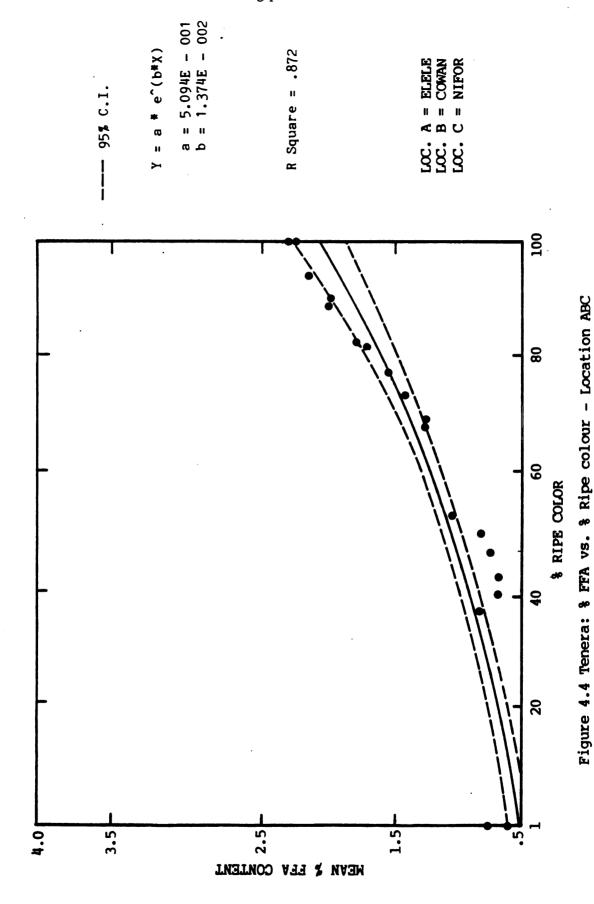


Table 4.1 Linear Regression Analysis: Free Fatty
Acid and Ripeness (% wt. of detached fruit)

Variety	Regression Coefficient	Intercept	R <sup>2</sup>	c.1
Tenera	.0184	.613	.998	95%
Dura	.0194	.601	.953	95%
Pisifera	.0173	.601	.997	95%

C.1 = Confidence Interval

Table 4.2 Variation of Bunch Characteristics with Ripeness (after Dufrane and Berger, 1957)

									Correlation with % detached fruit
Detached fruit %	2.2	7.1	11.7	18.6	21.5	34.9	35.1	45.8	<b></b>
Mean bunch wt. (kg)	4.8	5.4	4.7	4.5	4.8	4.2	4.0	3.7	-0.91**
Fruit/ bunch (%)	68.8	66.4	67.4	63.6	62.6	58.8	62.4	55.0	-0.95***
Oil/fresh mesocarp. (%)	45.7	47.5	46.1	48.0	48.1	50.7	50.7	51.0	0.90***
Number of bunches analyzed	94	70	80	63	46	22	19	6	

Table 4.3 Rate of Acidification for Tenera, Pisifera and Dura

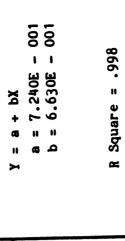
% FFA Tenera Pisifera Dura		
. 69	.67	.71
1.39	1.34	1.37
2.09	2.00	2.08
2.76		
3.32	2.77	3.32
	.69 1.39 2.09 2.76	.69 .67 1.39 1.34 2.09 2.00 2.76

level.

In the analysis, one of the independent variables that has an insignificant effect on free fatty acid was the tree height. This is contrary to the bunch damage analysis by Clegg (1973). He related damage entirely to the height of the drop and reported that a drop of 20 feet resulted in an ffa rise of .26%. A possible explanation for the difference in the effect of height, might be due to the cushioning effect from the soil texture and probably the weeds around the tree. This explanation seems very obvious because if a bunch drops 20 feet on a bed of cotton wool it would have a different amount of damage and effect on ffa than if it dropped 10 feet on a hard surface, stones or ground.

In the analysis of the effect of delay in processing fresh fruit bunches (ffb) after harvesting, on an oil quality was found to be linearly correlated (Figures 4.5, 4.6, 4.7). This means that the longer the delay the more the deterioration of the oil quality because of the increase in the free fatty acid. The mean bunch weight is highly correlated with the age of the palm (Figures 4.8, 4.9, 4.10).

The results of the analysis of samples from the three different locations, - NIFOR, Cowan Estate, Elele Estate were not remarkably different. The slight difference might be due to the environmental factors, such as soil type and climate (Tables 4.4 and 4.5).



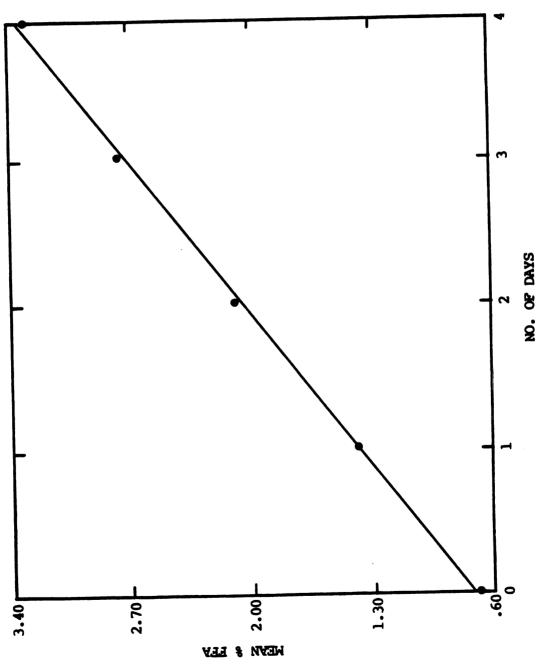
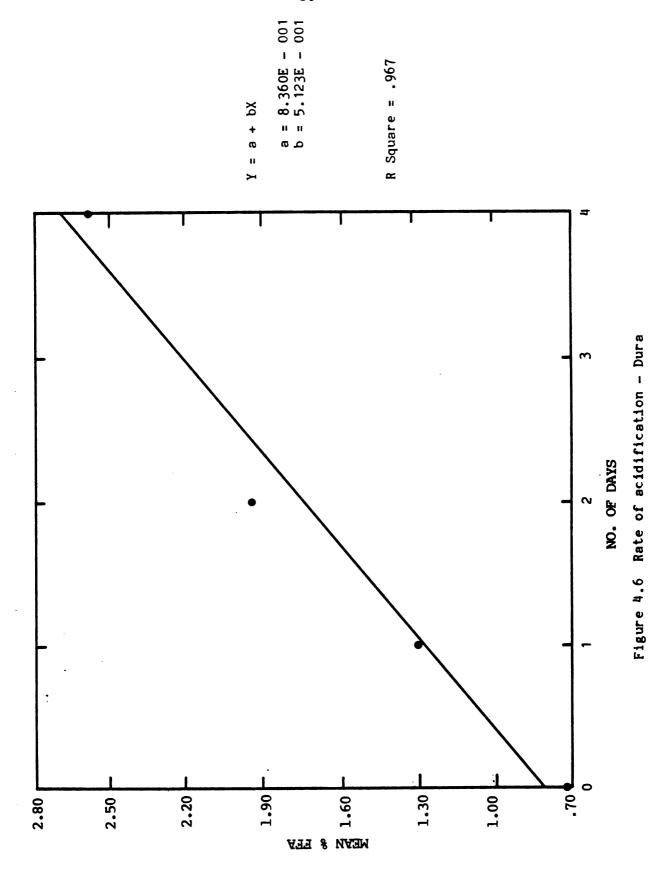


Figure 4.5 Rate of acidification - Tenera





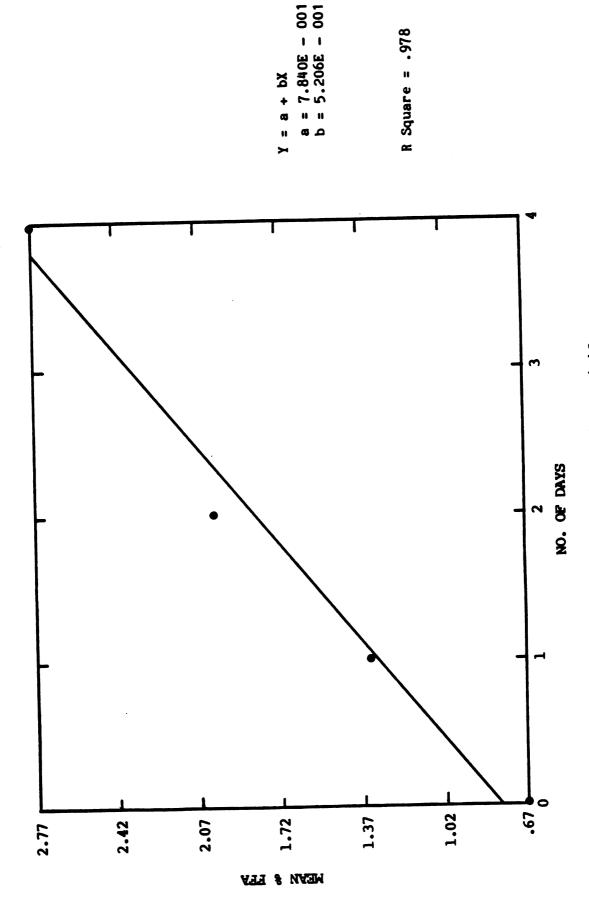


Figure 4.7 Rate of acidification - Pisifera

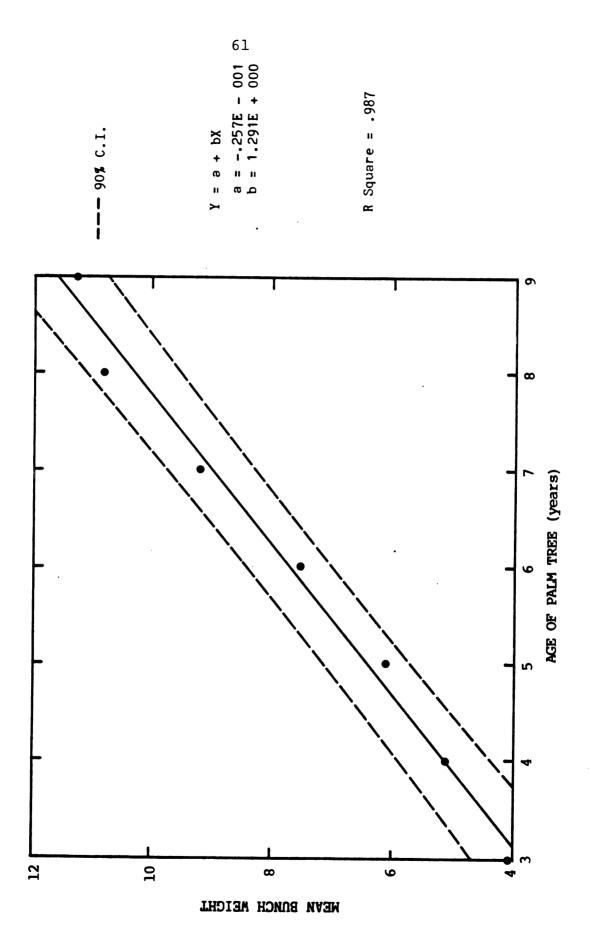


Figure 4.8 Tenera: Mean bunch weight and age.

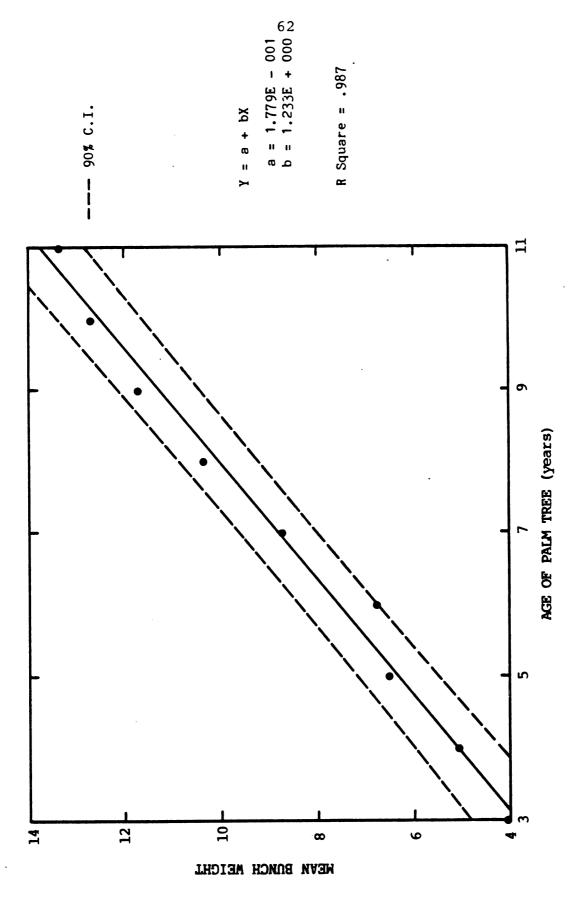


Figure 4.9 Dura: Mean bunch weight and age.



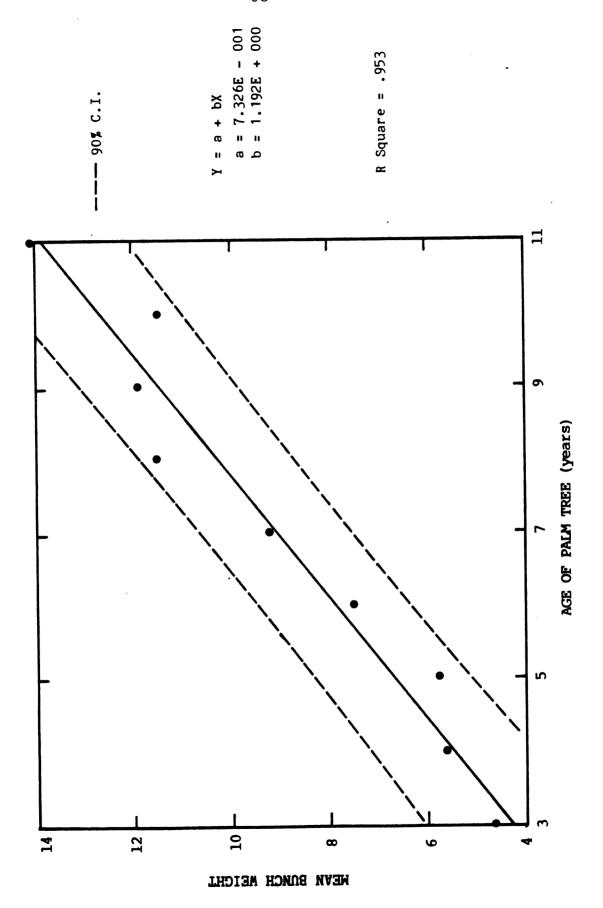


Figure 4.10 Pisifera: Mean bunch weight and age.

Table 4.4 Linear Regression Analysis of % FFA and % Detached Fruit in the Three Locations

N	Location A 35	Location B 47	Location C 50
a	7.078 x 10 <sup>-1</sup>	5.732 x 10 <sup>-1</sup>	5.650 x 10 <sup>-1</sup>
b	.01660	.01891	.01990
s,	.00043	.00038	.00033
s <sub>y</sub> <sup>2</sup>	(.4985) <sup>2</sup>	(.5586) <sup>2</sup>	(.6037) <sup>2</sup>
rŽ	.9864	.98839	.98688
Ÿ	1.3503	1.2087	1.2756
Z	38.6857	33.7660	35.74
s <sup>2</sup>	.0055185	.00554242	.004884529
s <sup>2</sup>	(29.6228) <sup>2</sup>	(29.1914) <sup>2</sup>	(30.0298) <sup>2</sup>

Loc. A = Elele, Loc. B = Cowan Estate, Loc. C = NIFOR (Nigerian Institute for Oil Palm Research)

a = intercept, b = slope,  $S_b$  = std. deviation,  $S_b$  = variance,  $r_b$  = coefficient of determination,  $\bar{Y}_b$  = mean of % ffa,  $\bar{Z}_b$  = mean of % detached fruit,  $S_b$  = variance of % detached fruit,  $S_b$  = variance of % ffa,  $\bar{N}_b$  = number of observations,  $\bar{N}_b$  = Not Significant

Table 4.5 Linear Regression Analysis of % FFA and % Ripe Color in the Three Locations

N	Location A	Location B 47	Location C 50
a	4.579 x 10 <sup>-1</sup>	2.501 x 10 <sup>-1</sup>	2.216 x 10 <sup>-1</sup>
þ	.01439	.017310	.017620
s <sub>b</sub>	.00144	.00144	.0141
s <sub>y</sub>	(.4985) <sup>2</sup>	(.5586) <sup>2</sup>	(.6037) <sup>2</sup>
r <sup>2</sup>	. 89649	.89519	.90181
Ÿ	1.3503	1.2087	1.2756
<b>T</b> .	63.1429	58.9362	62.06
$s_{\mathbf{x}}^{2}$	(30.0521) <sup>2</sup>	(29.5469) <sup>2</sup>	(30.5924) <sup>2</sup>
s <sup>2</sup>	.06662001	.08298393	.09164438

Loc. A = Elele Loc. B = Cowan Estate, Loc. C = NIFOR (Nigeria Institute for Oil Palm Research) a = intercept, b = slope,  $S_1$  = standard deviation,  $S_2$  = variance,  $r_2$  = coefficient of determination,  $\bar{Y}$  = mean of % FFA,  $X_2$  = mean of % ripe color,  $S_2$  = variance of % ripe color,  $S_3$  = variance of % ffa,  $N_3$  = number of observations, location effects significant at .05 level.

For very high accuracy, free fatty acid content and percentage ripe color should be estimated on location. For the purpose of a rough estimate, a generalized model could be used to represent the locations within the "oil palm belt" because of the minor location effect.

An investigation into the loss of loose fruit, during the field trip in Nigeria revealed that many farmers failed to ensure that all loose fruit were collected after harvesting the bunch. This is a potential source of financial loss that should be controlled. At an oil price of \$800 and kernel price of \$400 per ton, the loss of one loose fruit for every bunch harvested represents an annual loss per acre of \$2.15 or \$5.38 per hectare. (Assuming 10 ton ffb per acre, bunch weight 40 lb, fruit weight 12g, oil/fruit 36.7 and kernel/fruit 7.5%.)

Analysis: For every bunch, 1 loose fruit lost

worth of one fruit:  $(12 \times 0.367)_g$  of oil 800/ton [(12g x 0.367)  $10^6$ g/ton] = 3.52 x  $10^{-3}$ M/fruit 12g x .075 of kernel

400 M/ton [(12 x .075) 10<sup>6</sup> g/ton] = 0.36 x 10<sup>-3</sup> N=/fruit Each fruit value is 3.88 x 10<sup>-3</sup> M/fruit An acre harvested:

10 ton  $[(40 \times .45 \text{ kg/lb}) (1000 \text{ kg/ton})] = 555.55 \text{ bunch/acre}$ 

With a loss of one fruit/bunch, a loss of
555 fruit
acre is sustained loss N/acre = 3.88 x 10
N/fruit x 555
fruit/acre
= 2.15 N/acre or
N5.38/hectare

For Growers:

One fruit is worth: 75 N/ton (12g  $10^6$ g/ton) =  $.9 \times 10^{-3}$  N/fruit

for 550 fruit/acre

-3
.9 x 10 N/fruit x 550 fruit/acre =
.495 N/acre

approx. .50 N/acre or N1.25/ hectare

It takes an extra effort on the parts of the harvesters to pick up the loose fruit at the base of the palm tree and collection points.

An interview with harvesters revealed that picking up fruit tedious the loose was not only but also back-breaking. The harvesters also complained of poor wages and so strongly objected to any harvesting instruction that demanded extra effort and energy on them. This feeling of poor salary structure amongst the field staff (harvesters and carriers) was counter productive. If farmers are to cut down on the field losses, it is necessary that they consider an upward review of the field workers' wages.

The need for a complete collection of loose fruit was emphasized by Turner and Gillbanks (1974). The above analysis confirms this need and demonstrates the importance of ensuring that all loose fruit are collected.

#### Chapter 5

# Model Development and Simulation of a Farmer Supply Processing System

The visual inspection is not sufficient to deal with the problems of quality control as practiced presently. assisted systems analysis approach can provide computer an effective means for dealing with the problem. chapter presents a computer aided system This approach for the analysis of the composition and prediction of the quality and quantity of the oil in the "oil palm belt" of Nigeria. Traditionally, researchers have relied on conventional, large computers for such analyses, but they are not always readily available in many developing countries. For this reason, a micro computer with BASIC language was used for analysis and simulation of quality control technique in the present research.

## 5.1 Identification of System Components

This forms a link between the statement of needs and a specific statement of the problems that must be solved in

order to satisfy those needs (Manetsch and Park, 1977). At this point, the oil palm quality control system was viewed as a "black box" (Figure 5.1).

Weather, prices, population, inflation, pests diseases, and availability of labor were defined exogenous components. The input parameters have an impact upon the desired system output; these parameters tend to be fixed and are as important as decision variables (Manetsch et al., 1974). In the present case, the establishment policy was classified as an input parameter; it consists of such elements as subsidization, discount, standard, and quantity premium. Production function levels such fertilizers, pesticides, oil palm land, etc. were held constant during the simulation process. The controllable inputs were number of detached fruit, length of time delay before processing, area harvested, etc. The number and combinations of these controllable input levels were changed during the simulation of the system model to alter the performance and results.

The desirable system output for oil palm quality control consists of high quality palm oil with desired ffa level, high market and nutritional value. In addition, high premium and returns accrue to the farmer because of increased production of required standard of fresh fruit

bunches. The undesirable systems output are, no premium for the farmer, high loss and poor quality fresh fruit bunches, and loss of interest in oil palm enterprise (see Figure 5.1). These undesirable factors are used to stimulate farmers to readjust their harvesting system and management, thus leading to a feedback mechanism.

The linkages and interactions between identified components in oil palm quality control are illustrated in the simplified model presented in Figure 5.2, and the field factors influencing oil palm quality control are shown in Figure 5.3.

# 5.1.1 System Constraints and Desirable Model Characteristics:

- 1. The model should be able to represent a wide range of regional conditions, in this case, the environmental and agronomic conditions prevalent in the "oil palm belt."
- 2. The model assumes that the probabilistic nature of the weather factors that have deleterious effects on the rate of fruit detachment can be minimized by good supervision and discipline.
- 3. The model should be able to handle any practical mix of harvest composition and attend to as many farmers as possible per day, with maximum of five hundred bunches each.
- 4. The model should be of practical application to growers and/or processors in Nigeria.

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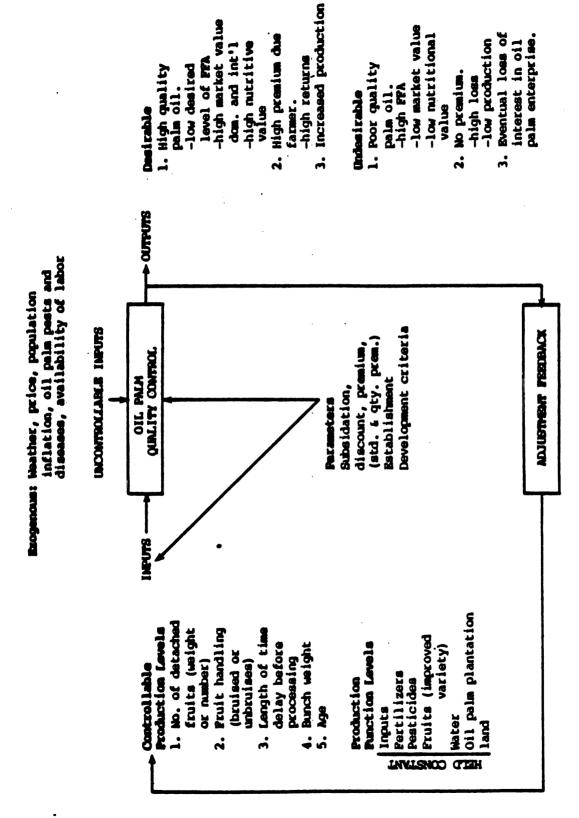
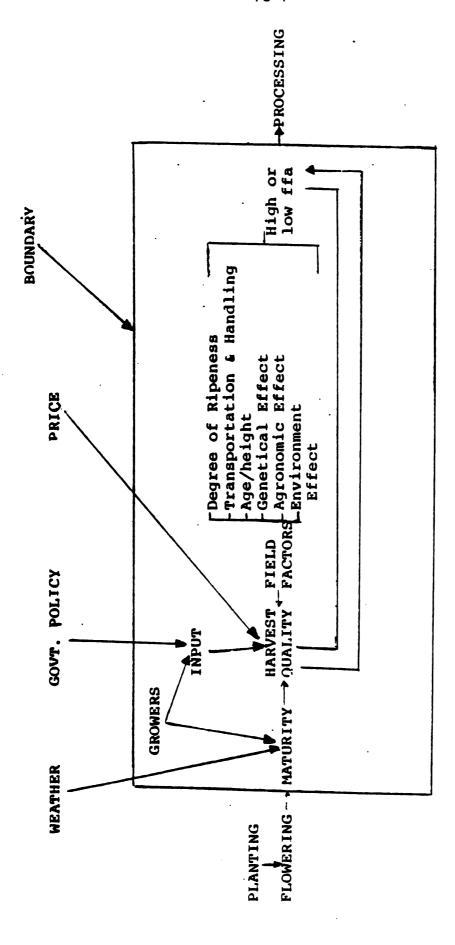
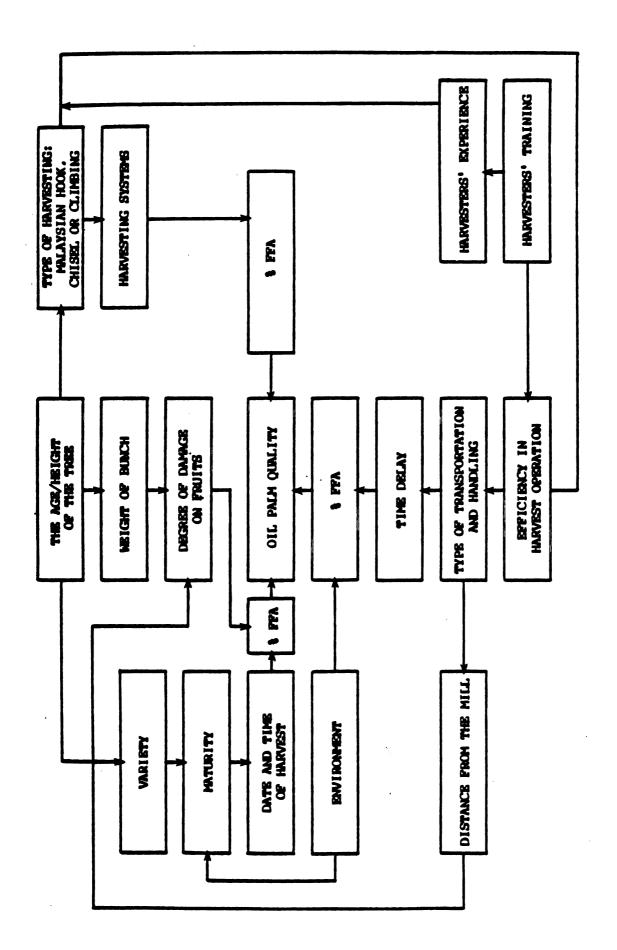


Figure 5.1 Blackbox diagram for a generalized oil palm quality control model.



Simplified Oil Palm Quality Control System. Figure 5.2



Pigure 5.3 Field factors influencing oil palm quality.

5. The model assumes that the method of production throughout the "oil palm belt" is the same, especially the regular maintenance of the plantation.

### 5.2 Input Data

There were six input data required for the palm oil quality control model. These are:

- (i) Percentage detached fruit
- (ii) Quantity of fresh fruit bunches
- (iii) Length of time delay in days
- (iv) Fruit condition (eg. degree of damage, diseased or rotten)
  - (v) Age of the palm tree, and
  - (vi) Variety (Tenera, Dura, Pisifera).

#### 5.2.1 Percentage Detached Fruit

This is the percentage weight of the detached fruit with respect to the whole fresh fruit bunch. This is obtained by counting the number of detached fruit before and after cutting the bunch. The bunches are coded according to the percentage detached fruit, ranging from 0 to 6. The different codes represent different levels of ripeness.

The percentage detached fruit is very highly correlated to the free fatty acid of the fresh fruit bunch as shown by the regression analysis in the previous chapter (Figure 4.3). This confirms the work of Dufrane and Berger (1957).

Thus:

$$FFA = a + b (R)$$
 (5.1)

where R = % detached fruit

b = slope

FFA = estimated free fatty acid

a = intercept

$$LF = f (BW, AG) (5.2)$$

where LF = loose fruit before cutting

BW = average bunch weight

AG = age of palm tree

$$LF = MSTD * BW$$
 (5.3)

where

MSTD = minimum harvesting standard

Since average bunch weight is linearly correlated to age (see Figure 4.5).

$$BW = a + b(AG) \tag{5.4}$$

Substituting (5.4) in (5.3)

$$LF = MSTD * (a + b*AG)$$
 (5.5)

Equation (5.5) is used in the model to help the farmer adjust the harvesting system. The number of loose fruit on the ground before harvesting the bunch is the most commonly used measure of ripeness by the harvesters in the field. The percentage of detached fruit of a bunch is the percentage of all the detached fruit after the bunch has been harvested. The definition of a detached fruit in this context is one which has either fallen from its bunch or can

be detached by hand. In the analysis in the previous chapter, the number of loose fruit as it is used by the harvesters, and the percentage detached fruit are highly correlated and predict the degree of ripeness very effectively. The percentage detached fruit is frequently used in predicting the free fatty acid in the model because it explains 99% of the change in percentage of free fatty acid (ffa) and has less loopholes than the number of loose fruit techniques. Some of the limitations of the loose fruit on the ground as indicator of ripeness are:

- 1. The activities of rodents, squirrels, and other pests tend to increase or reduce the number of loose fruit on the ground, thereby misleading the harvesters.
- 2. Heavy storm a day before harvesting also affects the accuracy of loose fruit on the ground as a measure of ripeness.
- 3. Loose fruit dropping into the palm fronds or epiphytic growths on the palm trunk are never seen or available and therefore makes the ripeness measurement less accurate.
- 4. Guessing the weight of bunch when it is up high on the tree is not an easy task for the harvesters and so error of judgement is inevitable.

# 5.2.2 Quantity

This is the total weight of all the bunches of a particular variety. The quantity premium calculation is

based on the bunch code and quantity.

## 5.2.3 Length of Time Delay in Days

There is still rather inadequate evidence of the relationship between speed of fruit transport to the mill and processing, although there are strong indications that rapid collection and transport are necessary for the production of high quality oils. An estate trial concerning the relationship between delay in processing and free fatty acid level gave the results for three varieties (Table 4.3).

## 5.2.4 Fruit Condition

This is an evaluation of the condition of the fresh fruit bunches (FFB) on arrival at the mill. accurate assessment, the bunches are classified according to the severity of bruises they receive at different stages of handling. Clegg (1973), in his analysis of damage incurred by oil palm bunches during handling and transport, classified impacts in terms of their effect on free fatty acid of the bunches. In this model, there are five categories of bruised condition of bunches.

These are:

- (i) unbruised
- (ii) moderately bruised
- (iii) severely bruised
  - (iv) very severely bruised
    - (v) extremely bruised

A bunch is classified as unbruised if there are no bruises at all. Moderately bruised if less than 20% is

bruised. Severely and very severely bruised between 20 and 50% and greater than 50%, respectively. A bunch is very extremely bruised when it is more than 75% bruised. The extent of damage on bunches depends on the stage of ripeness. Over-ripe fruit is more prone to bruises because of the soft membrane.

#### 5.2.5 Age

The age factor has an effect on the rate of bunch ripening. The rate of ripening is most rapid in the youngest material and decreases with an increase in the age of the palm. Within each age group, the smaller the bunches, the faster the total fruit detachment (NG and Southworth, 1973).

The average bunch weight increases with the age of the palm. This was shown in the analysis in the previous chapter (Figure 4.8). For the variety,

DURA -

$$= .1779 + 1.233AG$$
 (5.6)

MSTD = 
$$LF/(.1779 + 1.233AG)$$
 (5.7)

from Equa. 5

TENERA -

$$BW = -.0257 + 1.291AG$$
 (5.8)

MSTD = 
$$LF/(-.0257 + 1.291AG)$$
 (5.9)

PSIFERA -

$$= 0.7326 + 1.192AG$$
 (5.10)

MSTD = LF/(0.7326 + 1.192AG) (5.11)

# 5.3 Oil Palm Quality Control Model

Systems researchers treat models as an abstraction of the real world. For a good representation of the real world, an effective evaluation of the many linkages and factors that constitute the system is a sine qua non. The simplified model is shown in Figure 5.2.

The diagramatic illustration of the concept of oil palm quality control is shown in Figure 5.4. The quality control program defines free fatty acid as the main component of quality; it is affected by the field factors (harvesting). The next step is the development of techniques for measuring this quality through sampling and laboratory tests to cross-check and confirm percentage free fatty acid results. With a predetermined free fatty acid level, upper and lower limits are established. The core of the entire system is the system of economic factors which are very important to growers, processors and the final consumers.

Among all the field factors that affect the free fatty acid of oil palm fruit, the most critical is the percentage of detached fruit. The relationship between the percentage of detached fruit and percentage of FFA is represented in the following equations:

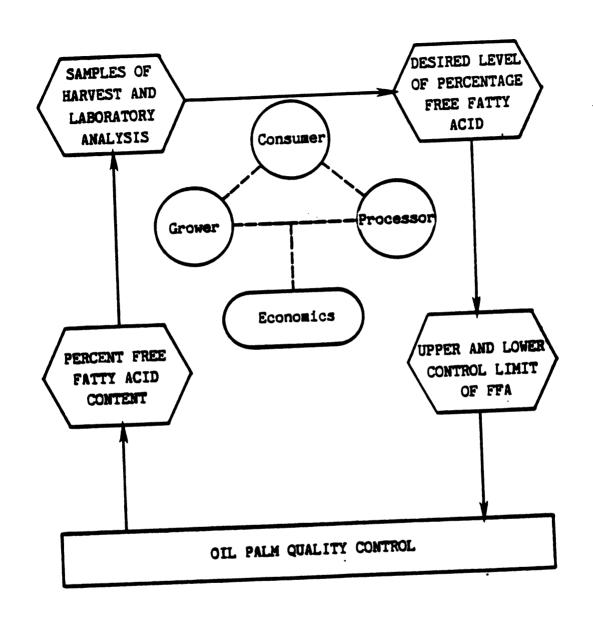


Figure 5.4 The diagram of oil palm quality control concept.

Tenera: $FFA = .614 + .0184R$ (5.12)	Tenera:	FFA =	.614 +	.0184R	(5.12)
--------------------------------------	---------	-------	--------	--------	--------

Dura: 
$$FFA = .614 + .0195R$$
 (5.13)

Pisifera: 
$$FFA = .601 + .0173R$$
 (5.14)

where FF is percentage free fatty acid and R is percentage detached fruit.

Time delay has an effect on the fruit quality, as shown in the data analysis. The effect is expressed in the following equations:

Tenera: 
$$FFA = .724 + .663TD$$
 (5.15)

Dura: 
$$FFA = .726 + .654TD$$
 (5.16)

Pisifera: 
$$FFA = .784 + .521TD$$
 (5.17)

Where TD is time delay in days.

The effect of bruises or damage on fresh fruit bunches was analyzed by Clegg (1973) who classified the impact according to the rise in ffa resulting from the damage on the fresh fruit bunch. In this model, the bruised bunches are classified according to the degree of severity of the bruises. The model rejects very severely bruised, diseased or rotten bunches.

Dufrane and Berger (1957) concluded that oil/fresh mesocarp increases linearly with increasing percentage detached fruit, and from Table 4.2 the linear relationship was developed into the equation:

$$OPM = 45.59 + .13R$$
 (5.18)

where OPM is the percentage oil per mesocarp weight.
Conversion of Equation 5.18 to kilogram oil per mesocarp =
.0456 + .0013R

Equation 5.18 was used to calculate percentage oil per mesocarp at different degrees of ripeness.

With an oil palm plantation where the annual crop is 50,000 tons of ffb, harvesting unripe fruit has been estimated to result in an oil loss of 900 tons (Speldewinde, 1968). This relationship is used to compute the loss due to the harvesting of unripe bunches.

Commercial harvesting will continue to result in a mixture of bunches at various levels of ripeness under-ripe, of ripe and of over-ripe. The important practical issues are the establishment of satisfactory definition of ripeness and how to control the level and range of bunch ripeness to maximize oil yield, oil quality and minimum loss. For this reason, the harvested fresh fruit bunches are classified under three main degrees of ripeness -- under-ripe (UR), ripe (RF), and over-ripe (VR). The corresponding percentages of the detached fruit in a typical harvest composition are denoted by Pl, P2, and P3, respectively. An average percentage detached fruit defining such a harvest composition is expressed by the equation:

$$DF = (WUR \times P1) + (WRF \times P2) + (WVR \times P3)$$
 (5.19)

where W represents weight of bunches in a particular ripeness category.

DF = Average percentage detached fruit

The above equation in conjunction with equation 5.18 is important in computing the percentage free fatty acid and percentage oil per mesocarp.

The award of standard premium is represented in the following expression:

$$Pm' = 1 + Pm (2 - FFA)$$
 (5.20)

where Pm is standard premium, FFA is free fatty acid percentage and Pm'is free fatty acid correction factor. For the choice of appropriate premium based on the percentage detached fruit and market price, we should maximize the function:

$$Pmt = K (N/kg. oil) [1 + Pm (2-FFA)] [0.456 + 0.0013R] kg. oil (5.21)$$

where Pmt is the payment in Nigerian currency called Naira and R is percentage detached fruit, K = market price for one kilogram oil. K is modified by the free fatty acid premium.

For the variety, Tenera, substitute equation 5.12 in equation 5.21 to obtain

$$Pmt = K [1 + 1.386 Pm - 0.0184 PmR] [0.456 + 0.0013R]$$

$$\frac{dPmt}{dR} = 0 = K \left[ (-0.0184Pm) (0.456 + 0.0013R) + (1 + 1.386Pm - 0.0184PmR) (0.0013) \right]$$

$$1.3 = Pm(6.59 + 4.78 \times 10^{-2} R)$$

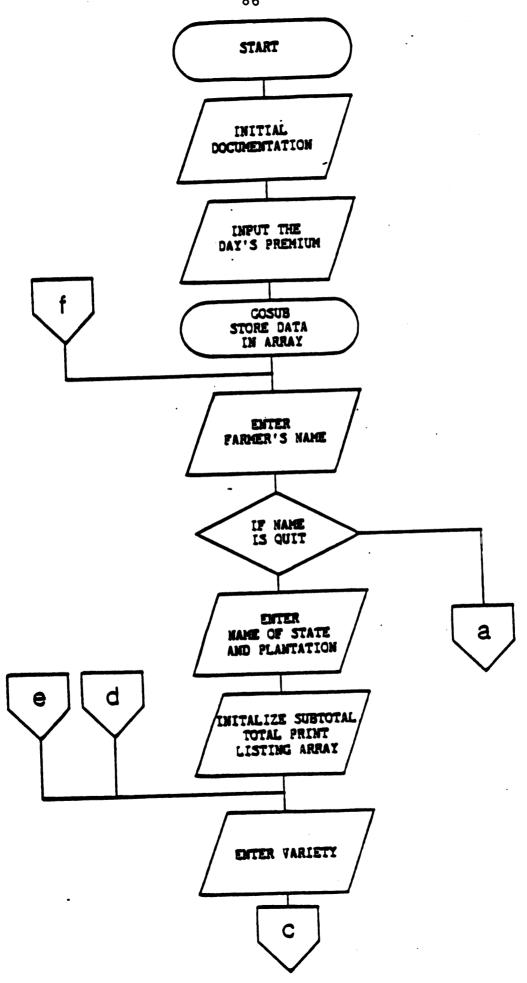
$$Pm = \frac{1.3}{6.59 + 4.78 \times 10^{-2} R} = \frac{1}{5.06 + 3.67 \times 10^{-2} R}$$

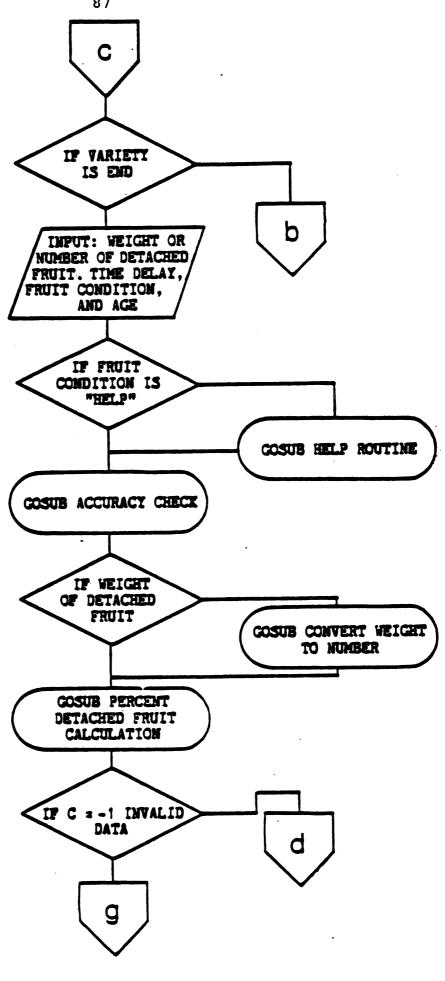
It is assumed that K cannot be zero, else there will be no pricing policy.

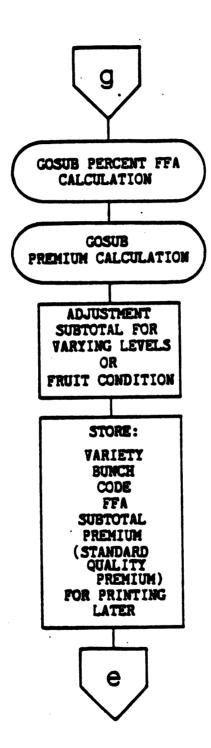
$$Pm = \frac{1}{5.06 + .0367R}$$
 (5.22)

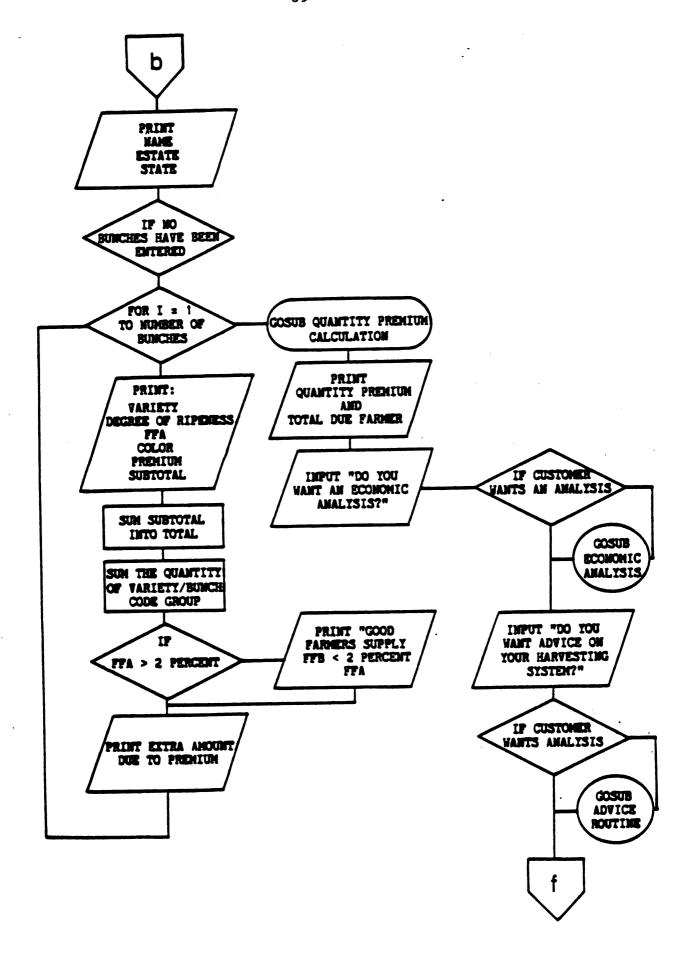
from equation 5.22, the control of percentage detached fruit alone, does not affect the choice of appropriate premium substantially and, therefore, has little or no effect on the revenue accruing to the farmer.

The logical flow chart describing the model presented in Figure 5.5. The model consists of a main program and ten subroutines. The program prompts the user to enter the day's premium, the name of the Plantation, State of origin, the variety of the bunch, the number or weight of detached fruit, time delay in days, the fruit condition (bruised or unbruised), and the age of the The percentage detached fruit determines the bunch code and the percentage free fatty acid. The final level of free fatty acid is influenced by the factors like time delay, and the condition of the fruit. Using the bunch code, the program searches a table of information to find the pricing data appropriate to that bunch code. The price of the bunch is modified by the free fatty acid correction Bunches with code numbers 3 and 4 are awarded factor. standard premium. The standard premium is either positive or negative, depending on the percentage free fatty acid fixed by the establishment. The day's premium is used to calculate quantity premium. If this quantity of bunch code numbers 3 and 4 are equal to or greater than the thresholds









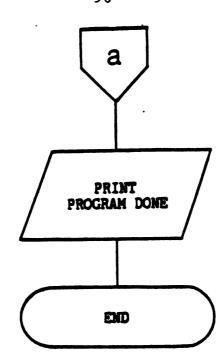


Figure 5.5 Simplified Flow Chart for Oil Palm Quality Control Model.

for those bunch coded numbers, a quantity premium is awarded. It is important to note that the standard premium (if applicable) is applied first to calculate the bunch price, then the quantity premium if applicable is applied to this price. The table of bunch information is stored in the form of data statements in array. The subroutine flow charts are in Appendices 25-34. For detailed in-put format see Appendix 1.

The main functions of the model are:

- 1. To encourage growers through award of premium to produce and harvest only ripe fruit.
- 2. Carry out a harvest composition analysis and make an estimate of the percentage free fatty acid and oil/mesocarp.
- 3. If the harvest composition is high in either unripe or over ripe or both, an appropriate estimate of annual loss in %/hectare was made.
- 4. It is not only a useful decision making tool in the hands of a plantation manager but also helpful in assisting a grower make necessary adjustment needed to attain and maintain maximum production of good fresh fruit bunches.
- 5. The model is also a useful instrument in the hands of policy makers who require direction and guidelines during the process of policy making.

## 5.3.1 An Economic Framework for Estimating Annual Revenue from Oil Palm

The discounting techniques were useful because they capture the delay between the initial investment and the return (Upton, 1973). This delay involves cost which should be taken into account in estimating net return. In practice, discounting is generally more useful than compounding because the farmer is concerned with present values, rather than future values in making current decisions. Thus, it is not very helpful to know what the future value of a profit will be in 20 years time.

The process of estimating the present value of future cash flows is known as discounting and is the opposite of compounding.

P = original loan or principal

r = interest rate

v<sub>n</sub> = principal plus interest after year n

n = number of years

for compounding:  $Vn = P(1 + r)^n$  (5.23)

If both sides are divided by  $(1 + r)^n$ 

$$P = \frac{Vn}{(1+r)h}$$
 (5.24)

The discounting is for time, and not other factors like risk, etc. However, it is possible to add a risk-discount and poor harvest-discount to the rate of interest (r) in order to capture the effect of these factors on returns.

To convert a stream of irregular cash flows, such as

may be obtained from a tree crop, into an equivalent annuity, the following formula is used (Upton, 1973):

$$A = \frac{\text{Pan r (1+r)}}{(1+r) - 1}$$
 (5.25)

Where A is the equivalent annual cash flow and Pan is the equivalent annual loan.

The net present value is calculated with the formula (Gittinger, 1982)

NPV = 
$$\sum_{t=1}^{n} \frac{B_n - C_n}{(1+r)^n}$$
 (5.26)

where  $B_n$  = benefits in each year,  $C_n$  = costs in each year, n = number of years, r = interest rate.

The internal rate of return (IRR) which is the yield of the investment or the marginal efficiency of capital can be obtained by calculating NPV of a range of different interest rates and finding at what value, the net present value is equal to zero.

The net present value is determined as follows

$$Pn = 0 (5.27)$$

$$Pn-1 = \frac{Mn}{1+r} \tag{5.28}$$

$$Pn-2 = \frac{Mn-1 + Pn-1}{1+r}$$
 (5.29)

$$P_{1} = \frac{M_{2} + P_{2}}{1 + r}$$

$$P_{2} = \frac{M_{1} + P_{1}}{1 + r}$$
(5.30)

Where P = net present value of future returns at the end of year i and  $M_i$  = the margin obtained at the end of that year, r = rate of interest and n = crop life in years.

To obtain the Net Present value of cash flow accruing from an oil palm plantation, these must all be discounted to year zero, that is to a point in time before any investment is made (Upton, 1966). The value of the trees can be estimated at any stage of their life either in terms of the total cost of establishment including compound interest, or in terms of the discounted value of expected future returns (Upton, 1973). The former represents the cost and the latter the expected benefit.

Another approach of valuing capital assets such as tree crops is known as the capital profile. The capital profile traces out the pattern of capital requirements of a single activity or a combination of activities over time (Harrison, 1956). Although this approach might lead to unacceptable conclusion, yet for the purpose of making annual valuation in terms of capital cost, or other costs due to good or bad operational techniques, it is very illustrative. For the activity of producing a hectare of oil palms a capital profile may be established in terms of cumulative costs of establishment. These costs appear as

the negative margins in the first four years of the life of the oil palm plantation given in Table 5.10. Thus, the valuation in terms of capital cost of a one year old hectare of oil palms is \$1067.45. By the end of the second year, the cumulative cost is the cost in the second year plus interest on the cost in the first year. For example, for a ten percent rate of interest then the capital cost by the end of the second year would be 220.99 + 1067.45 (1.10) = 1395.19 (Figures from Table 5.10).

Thus, the calculation of the capital profile proceeds as follows:

$$C_{i} = -M_{i} \tag{5.32}$$

$$c_2 = -M_2 + c_1(1+r)$$
 (5.33)

$$C_3 = -M_3 + C_2(1+r)$$
 (5.34)

$$c_n - M_n + c_{n-1}$$
 (1+r) (5.35)

where  $C_i$  = capital valuation at the end of the year i and  $M_i$  = the margin obtained during that year, r = rate of interest and n = crop life in years.

## 5.4 Systems Simulation

Simulation has been defined by Naylor (1960) as the operation of a model that represents a real world system. Manipulation of the system inputs makes it possible to

systems behavior under a given set simulate the Simulation models are best at providing an assumptions. optimal range of information rather than a single optimal the quality control model, the oil point. In plantation estates sampled are all within the 'Oil Palm Belt.' The generalized simulation output should interpreted as an actual representation of the values of variables obtainable in the oil palm belt because the location effect found was to be statistically insignificant. After the simulation model is verified, the sensitivity analysis can be performed using various levels of the controllable input data.

The weather effect on quality was not considered far reaching because the indirect effect of weather on ripening rate could be effectively handled by harvesting discipline. There are basically two seasons in Nigeria and these are dry and rainy seasons. The weather condition does not interrupt the harvesting schedule, especially in the dry season.

## 5.4.1 System Simulation Output and Discussion

The Systems Simulation output of farmers' supplies of fresh fruit bunches (ffb) or deliveries at the Mill was: (1) the stage of ripeness of the bunches measured in terms of percentage detached fruit, (2) the quality of the bunches, determined by the level of percentage free fatty acid content, (3) the premium award based on the quality of the bunch determined primarily by the level of ffa, which is

influenced by the degree of ripeness, handling and other field factors, and (4) the award of quantity premium based on the ability to supply or deliver a predetermined quantity of fresh fruit bunches (ffb) with the specified degree of ripeness and the percent free fatty acid (ffa) content within the desired limit. The quantity premium varies from day to day depending on the establishment's goals and objectives, and (5) The price for each bunch depends on the bunch's degree of ripeness, and is coded from zero to six (See Appendix 2). The probable color of the bunch could be a helpful indicator of ripeness stage when in doubt. For a broader perspective, percentage of ripe color is used.

Some additional outputs are the total amount due to farmer number of bunches based on the sampled simulated. The harvest composition relates the different proportions of ripeness stages of the bunches in terms of unripe, ripe and very ripe. The net present values on annual and per hectare basis are also obtained for a planned oil palm life span of thirty-five years. At different interest rates. other factors like risk could incorporated if necessary. The equivalent annual cash flow and the internal rate of return on capital can also be obtained from the output if requested. The capital profile technique is an additional output designed not only to regulate the growers, especially the smallholders, but also serves as an aid in the successful planning of oil palm plantation schemes. The suggested weekly and monthly records (See Appendix 11 and 12) are necessary in order to make adjustments necessary for attainment and maintenance of maximum quality and quantity of oil in an economic way.

Tables 5.1-5.5 are five samples of simulated fresh fruit bunches at the Mill reception. In Sample #1, the five bunches have different percentages of detached fruit and, therefore, are at different levels of ripeness. The age and the time delay are common to all bunches because all the bunches are expected to have come from the same field or block where all the palm trees are of the same age. The weight of the bunches might not necessarily be the same.

In harvesting operations, field or blocks are harvested in rotation and in each block, section or field, the palm trees have the same planting date and are, therefore, the same age. Each bunch is valued on its merits, such as the stage of ripeness, the percentage free fatty acid, the visual assessment of rotten, green or diseased. The subtotal is the current worth of the bunch at the Mill reception. The number of bunches to be sampled will depend on the overall number of bunches supplied and the sampling should be random enough to be representative of the quantity supplied or delivered. A suggested sampling procedure is as follows:

In the estate or plantation environment, for a grower and processor, the following sampling procedure should be

Table 5.1 Tenera: Simulated Fresh Fruit Bunches at the Mill Reception, Sample #1

Samp	ole #1	Bunch# 1	2.	3	4	5
1.	Detached Fruit: (Wt. or Number)	1 (W)	2 (W)	4 (W)	6 (W)	8 (W)
2.	Wt. of Bunch (kg	18	18	18	18	18
3.	Time Delay in Days	0	0	0	0	0
4.	Condition of Bunch	(U)	(M)	(S)	(S)	(S)
5.	Age of Palm	16	16	16	16	16
(a)	Degree of Ripeness	Unripe	Under Ripe	Just Ripe	Ripe	Over Ripe
(b)	% FFA	.78%	1.35	1.89	2.23	2.57
(c)	Probable Color	Yellow Green or 40% Ripe Color		or 70%	Orange or 80%	Red or 90% Ripe Color
(d)	Std. Premium	Ø	ğ	N .00	08-N.001	L -N.002
(e)	Subtotal	N .18	N .72	<b>%1.</b> 36	N1.29	
(f)	Extra Amt. Due to Premium			N .01	5 <b>-N.</b> 0:	3 -N.04:

<sup>(</sup>g) Total Amount Due Farmer N4.23

<sup>(</sup>h) Quantity Premium Ø

<sup>(</sup>i) Harvest Composition 40:40:20

<sup>(</sup>j) Oil Per Mesocarp 48.84: Overall % FFA = 1.073%

<sup>(</sup>k) Loss Due to Unripe Harvest: N129.60/Acre of W324/ha. per ann.

<sup>(1)</sup> Loss Due to Over Ripe Harvest

<sup>(</sup>m) Grand Total Amount Due Farmer: N4.23

Table 5.2 Tenera: Simulated Fresh Fruit Bunches at the Mill Reception, Sample #2

Samp	ole #2	Bunch #	2	3	4	5
1.	Detached Fruit: (Wt. or Number)	2 (W)	4 (W)	6 (W)	8 (W)	10 (W)
2.	Wt. of Bunch (kg	g) 20	20	20	20	20
3.	Time Delay in Days	2	2	2	2	2
4.	Condition of Bunch	(U)	(M)	(S)	(S)	(S)
5.	Age of Palm	19	19	19	19	19
(a)	Degree of Ripeness	Under Ripe	Just Ripe	Ripe	Over Ripe	Very Over Ripe
(b)	% FFA	1.485	2.23	2.39	2.54	2.69
(c)	Probable Color	Yellow Orange or 50% Ripe Color	Orange or 70% Ripe Color	Red Orange or 80% Ripe Color	Red or 90% Ripe Color	Red or 100% Ripe Color
(d)	Std. Premium	Ø	-N.0003	<b>-₩.</b> 003	-N.002	-N.0007
(e)	Subtotal	N .8	<b>N1.49</b>	N1.43	N .75	N .18
(f)	Extra Amt Due to Premium		-N.006	- <b>N.</b> 06	-N .04	-N .01

<sup>(</sup>g) Total Amount Due Farmer N4.65

<sup>(</sup>h) Quantity Premium N.6

<sup>(</sup>i) Harvest Composition 20:40:40

<sup>(</sup>j) Oil Per Mesocarp 49.75: Overall % FFA = 1.20

<sup>(</sup>k) Loss Due to Unripe Harvest

<sup>(1)</sup> Loss Due to Over Ripe Harvest: N2.15/Acre or N5.37/ha. (If Area and Quantity Harvested are 1 hectare and 10 tons, respectively)

<sup>(</sup>m) Grand Total Amount Due Farmer: M5.25

Table 5.3 Tenera: Simulated Fresh Fruit Bunches at the Mill Reception, Sample #3

Samp	le #3	Bunch #	2	3	4	5
1.	Detached Fruit: (Nt. or Number)	3 (W)	4 (W)	6 (W)	8 (W)	10 (W)
2.	Wt. of Bunch (kg	r) 18	18	18	18	18
3.	Time Delay in Days	1	1	1	1	1
4.	Condition of Bunch	(U)	(M)	(S)	(S)	(S)
5.	Age of Palm	15	15	15	15	15
(a)	Degree of Ripeness	Just Ripe	Just Ripe	Ripe	Over Ripe	Over Ripe
(b)	% FFA	1.256	1.741	2.11	2.28	2.45
(c)	Probable Color	Orange or 70% Ripe Color	Orange or 70% Ripe Color	Red Orange or 80% Ripe Color	Red or 90% Ripe Color	Red or 100% Ripe Color
(b)	Std. Premium	N. 005	N .002	-N .0008	-M.001	-N.0004
(e)	Subtotal	N1.45	N1.38	N1.33	N.69	N .17
(f)	Extra Amt. Due to Premium	N .10	N .03	-N.01	-N.02	-N.008

<sup>(</sup>g) Total Amount Due Farmer N5.02

<sup>(</sup>h) Quantity Premium N.54

<sup>(</sup>i) Harvest Composition 0:60:40

<sup>(</sup>j) Oil Per Mesocarp 50.27: Overall % FFA = 1.275

<sup>(</sup>k) Loss Due to Unripe Harvest

<sup>(1)</sup> Loss Due to Over Ripe Harvest: #2.15 or #5.39/ha.

<sup>(</sup>m) Grand Total Amount Due Farmer: N5.56

Table 5.4 Tenera: Simulated Fresh Fruit Bunches at the Mill Reception, Sample #4

Samp	le #4	Bunch#	2	3	4	5	6
1.	Detached Fruit: (Wt. or Number)	2 (W)	3 (W)	4 (W)	6 (W)	8 (W)	10 (W)
2.	Wt. of Bunch (kg	<sub>J</sub> ) 22	22	22	22	22	22
3.	Time Delay in Days	2	2	2	2	2	2
4.	Condition of Bunch	(U)	(M)	(S)	(S)	(S)	(S)
5.	Age of Palm	24	24	24	24	24	24
(a)	Degree of Ripeness	Under Ripe	Just Ripe	Just Ripe	Ripe	Over Ripe	Over Ripe
(b)	t PPA	1.47	1.94	2.21	2.35	2.48	2.62%
(c)	Probable Color	Yellow Orange or 50% Ripe Color	Orange or 70% Ripe Color	Orange or 70% Ripe Color			Red or 90% Ripe Color
(b)	Std. Premium	Ø	N. 0004	-N.001	-N.002	-N.002 -	N.002
(e)	Subtotal	N .88	N1.66	N1.61	N1.58	N .83 N	.82
·(£)	Extra Amt. Due to Premium		N .01 -	N .03	-N .06 -	M .04 -N	.05

<sup>(</sup>g) Total Amount Due Farmer N7.38

<sup>(</sup>h) Quantity Premium N.99

<sup>(</sup>i) Harvest Composition 17:50:33

<sup>(</sup>j) Oil Per Mesocarp 49.69: Overall % FFA = 1.19

<sup>(</sup>k) Loss Due to Unripe Harvest

<sup>(1)</sup> Loss Due to Over Ripe Harvest

<sup>(</sup>m) Grand Total Amount Due Farmer: N8.37

Table 5.5 Tenera: Simulated Fresh Fruit Bunches at the Mill Reception, Sample #5

Samp	ole #5	Bunch#	2	. з	. 4	5
1.	Detached Fruit: (Wt. or Number)	2 (W)	4 (W)	8 (W)	8 (W)	10 (W)
2.	Wt. of Bunch (kg	g) 20	20	20	20	20
3.	Time Delay in Days	0	0	0	0	0
4.	Condition of Bunch	(U)	(U)	(U)	(U)	(U)
5.	Age of Palm	19	19	19	19	19
(a)	Degree of Ripeness	Under Ripe	Just Ripe	Over Ripe	Over Ripe	Very Over Ripe
(b)	% FFA	.92	1.22	1.84	1.84	2.14
(c)	Probable Color	Yellow Orange or 50% Ripe Color	Orange or 70% Ripe Color	Red or 90% Ripe Color	Red or 90% Ripe Color	Red or 100% Ripe Color
(b)	Std. Premium	0	N .006	0	0	N .0001
(e)	Subtotal	<b>M.</b> 8	N1.62	N .8	8. K	N .19
(f)	Extra Amt. Due to Farmer		N .12			-N .003

<sup>(</sup>g) Total Amount Due Farmer N4.21

<sup>(</sup>h) Quantity Premium .3

<sup>(</sup>i) Harvest Composition 25:25:50

<sup>(</sup>j) Oil Per Mesocarp 49.82: Overall % FFA = 1.21

<sup>(</sup>k) Loss Due to Unripe Harvest

<sup>(1)</sup> Loss Due to Over Ripe Harvest: N2.15/Acre

<sup>(</sup>m) Grand Total Amount Due Farmer: N4.51

considered. Sampling should be carried out so that results of the analysis are representative of the whole harvest. In which case the sterilizer cage may be taken as a sample size.

- (i) The number of sample cages for daily analysis should not be less than the number of fields, blocks or divisions harvested.
- (ii) The bunches sampled should be at random and and as much as possible harvests should be grouped according to plantings of the same year or age.
- (iii) Bunches to be sampled should still have stalks with a white (fresh) cut surface, otherwise, the time delay in days should be indicated. If the bunches have very dry, moldy or rotten cut surfaces, they should be discarded and classified as "not codeable." The same applies to bunches in advanced stages of rot pest-damage or disease.
- (iv) The sampling exercise should be carried out according to a program prepared at the beginning of the year. This is to simplify the control of the representative sampling. The number of samples for the whole year should be equitably distributed among the years of planting divisions.

As a processor, receiving fresh fruit bunches from farmers, the following sampling procedure should be considered:

(i) For the analysis, the fresh fruit bunch may be taken as the smallest sample size. The number of bunches to be sampled will

depend on the total bulk supplied. For example, with the supply of forty fresh fruit bunches, a sample size of fifteen to twenty will be considered adequate.

- (ii) The bunches sampled are taken at random and accordingly coded based on percentage detached fruit and resultant level of free fatty acid.
- (iii) Visual inspection of the bunches is important to ensure that the bunches are not rotten, moldy, or diseased. Bunches that are excessively damaged by bruising or delayed should be noted. Diseased and rotten bunches should normally be classified as "not codeable" and discarded.
  - (iv) Only fresh fruit bunches are considered for analysis and coded. Abnormal bunches, not fully developed, dry and very wrinkly should not be considered.
    - (v) Accurate and consistent assessment of degree of damage or bruising, proper record of year of planting, weight or number of detached fruit and time delay are important in order to obtain approximate harvest composition of the grower's supply.

In all cases, a laboratory test for free fatty acid content is necessary.

In Sample #1 (Table 5.1), the grand total amount due the farmer is N4.23 which is 4 percent higher than what he would receive in the absence of any control measures. This would have been N4.05. The model has warned the farmer because of the high percentage of unripe fruit which gives rise to the low oil content and the low extraction ratio. Although the overall percentage of free fatty acids is low,

the premium obtained for such low free fatty acid cannot offset the loss resulting from harvesting unripe bunches. In this case, a loss of N129.60/acre or N324/ha.per annum will be suffered if in a year nine tons of fresh fruit bunches with the same harvest composition is supplied. Tables 5.2, 5.3 and 5.5 the amounts due the farmer are N5.25, N5.56 and N4.51, respectively; instead of N4.50, N5.40 and N1.50. The record of the loss due to unripe harvest is necessary and serves as a timely warning for the farmer to do something about the harvesting system. In this case. there is need to either increase the minimum harvesting standard or the harvesting circle, or both. constant check on the harvesting discipline is also important.

In Sample #4, Table 5.4, the grand total amount due the farmer is N8.37. This amount is 25% higher than what the farmer would otherwise receive because he is compensated by an award of standard and quantity premium for producing fresh fruit bunches of high quality and quantity. From Table 5.6, it is clear that the number of unripe and over ripe bunches in a harvest, or in other words, it is the harvest composition that determines the free fatty acid content and the percentage oil content. The more the unripe and over-ripe bunches are minimized, when compared to the proportion of the ripe bunches, the better the compromise between free fatty acid and the quantity of oil. Sample #4

Summary of Simulated Fresh Fruit Bunches at Mill Reception: Tenera Table 5.6

Harvest Composition	<pre>\$ Detached Fruit</pre>	8FFA Content	Oil per Mesocarp	Amount Due Farmer	Remark
40:40:20	25	1.07	48.84	N4.23	Warning loss due to unripe harvest
20:40:40	32	1.20	49.75	<b>N5.</b> 25	Warning loss due to over ripe harvest
0:60:40	36	.1.27	50.27	M5.56	Warning loss due to over ripe harvest
17:50:33	31.55	1.19	49.69	M8.37	
25:25:50	32.5	1.21	49.82	N4.51	Warning loss due to unripe harvest

(Table 5.4) has a crop composition that tends towards the right combination of the different degrees of ripeness. The resultant high revenue is due to the standard and quantity premium intended to encourage the growers to adjust their harvesting system in order to come up with similar harvest composition in which unripe and over-ripe bunches are at the minimum in relative proportion to the ripe bunches.

The oil content of under-ripe bunches is low and this increases as the bunches move to the stage of optimum ripeness through increased percentage of detached fruit. The free fatty acid (ffa) percentage also increases with the increased detached fruit. The control of percentage detached fruit alone. not affect the does appropriate premium substantially and, therefore, has little or no effect on the revenue accruing to the farmer. commercial practice, the objective should, therefore, be to get as many bunches as possible within the range of desired percentage detached fruit to total fruit. The use of the world market price for oil and the FFA premium award in formulating quality control policy will not be effective because of the little difference in revenue between the maximum detached fruit and zero detached fruit. The farmer management can vary the harvesting by changing harvesting interval and the minimum harvesting standard. The influence of these factors have been shown Southworth, 1973. The harvesting interval determines the

spread of degree of ripeness in the crop, while the minimum standard determines the minimum level of ripeness. the change in free fatty acid with respect to detached fruit is linear, the harvesting circle and harvesting minimum standard can be varied to any combination which will give the number of detached fruit per bunch appropriate for the However, in the case of oil yield, the required ffa. relationship between the harvesting system is not very straightforward and simple because of the discrepancies as to when the oil synthesis in the bunch terminates. From the simulation, any bunches having less than 25% detached fruit to total fruit will contain less oil than those with greater than 25% detached fruit to total fruit. The closer a bunch is to zero detached fruit, the lower will be its oil content (Figure 5.6).

A simulated observation of degree of ripeness based on percentage detached fruit of the harvest composition is shown in Tables 5.7, 5.8, 5.9, for the varieties Tenera, Pisifera and Dura, respectively. For Tenera, to harvest sufficiently ripe bunches, the number of loose fruit on the circle before cutting of the bunch should be at least half loose fruit per 1 kilogram of bunch weight. A bunch is also considered unripe when less than 50% of the outer fruit are ripe colored.

As a compromise, (see Figures 5.7, 5.8 and 5.9) for simplicity of the harvesting instruction, a minimum ripeness

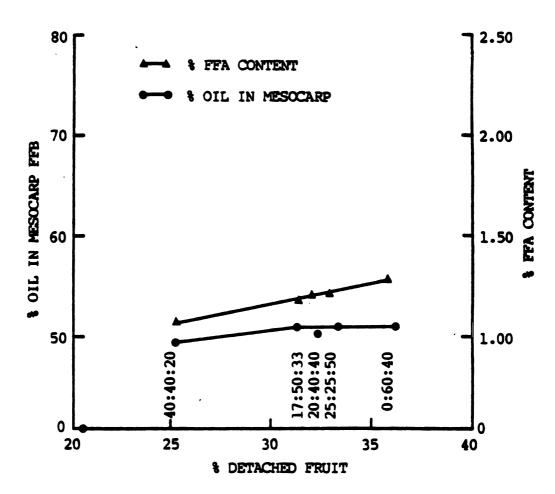


Figure 5.6 Relationship of oil per mesocarp of the fresh fruit bunches (FFB) and FFA content with degree of ripeness for the five harvest compositions.

Observation of Degree of Ripeness - Tenera Table 5.7

Age	Average 2 Bunch wt.	Before Cutting	Min. Harvest Standard	After Cutting	color <sup>6</sup>	Bunch Classification <sup>7</sup>	Degree of Ripeness
5	6.42	1	.17	3	40	1	Unripe
10	12.88	ĸ	.45	15	20	7	Under Ripe
123	16.33	7	.49	20	50	7	Under Ripe
144	18.86	10	.53	25	70	т	Just Ripe
19	24.56	14	.57	35	70	т	Just Ripe
21	27.12	16	. 59	40	70	m	Just Ripe

(1) Age of Palm Tree

(2) Average Bunch Weight

(3) Number of loose fruit on the ground before the bunch is considered harvestable

(4) Number of loose fruit per kilogram of bunch weight

(5) Number of loose fruit expressed as percentage of outer fruit

(6) Percentage of outer fruit which are ripe colored

(7) Class code to which the respective bunches belong

(8) Degree of ripeness

Observation of Degree of Ripeness - Pisifera Table 5.8

Degree of Ripeness	Unripe	Under Ripe	Under Ripe	Just Ripe	Ripe	Ripe
Bunch Classification <sup>7</sup>	1	7	7	£	4	4
Color	40	20	20	70	06	06
After Cutting <sup>5</sup> Color <sup>6</sup>	10	20	30	40	20	09
Min. Harvest Standard	.30	. 40	.43	.45	.46	.47
Before Cutting <sup>3</sup>	2	S	œ	11	14	17
Average 2 Bunch Wt.	69*9	12.65	18.61	24.57	30.53	36.4
Age	2	10	15	20	25	30

(1) Age of Palm Tree

(2) Average Bunch Weight

(3) Number of loosefruit on the ground before the bunch is considered harvestable

(4) Number of loose fruit per kilogram of bunch weight

(5) Number of loose fruit expressed as percentage of outer fruit

(6) Percentage of outer fruit which are ripe colored

Class code to which the respective bunches belong (2)

(8) Degree of ripeness

Table 5.9 Observation of Degree of Ripeness - Dura

Age 1	Average 2 Bunch Wt.	Before 3 Cutting	Min. Harvest <sub>4</sub> Standard	After Cutting <sup>5</sup>	Bunch Classification	Degree of Ripeness
2	6.4	1	.16	5	1	Unripe
10	12	2	.17	12	2	Under Ripe
15	18.67	6	.48	45	4	Ripe
20	24.8	12	<b>4</b> 8	09	4	Ripe
23	28	14	.50	70	S	Over Ripe
24	30	16	.53	80	S	Over Ripe

(1) Age of Palm Tree

(2) Average Bunch Weight

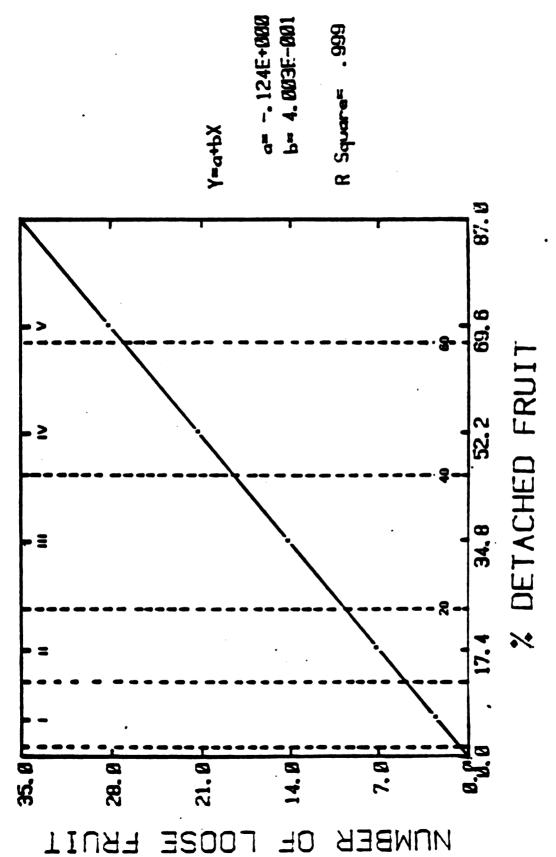
(3) Number of loose fruit on the ground before the bunch is considered harvestable

(4) Number of loose fruit per kilogram of bunch weight

(5) Number of loose fruit expressed as percentage of outer fruit

(6) Class code to which the respective bunches belong

(7) Degree of ripeness



CUTTING THE BUNCH AND PERCENTAGE DETACHED FRUIT TO TOTAL FRUIT FIGURE 6.7 TENERA: RELATIONSHIP BETWEEN LOOSE FRUIT ON THE CIRCLE BEFORE AFTER CUTTING THE BUNCH.

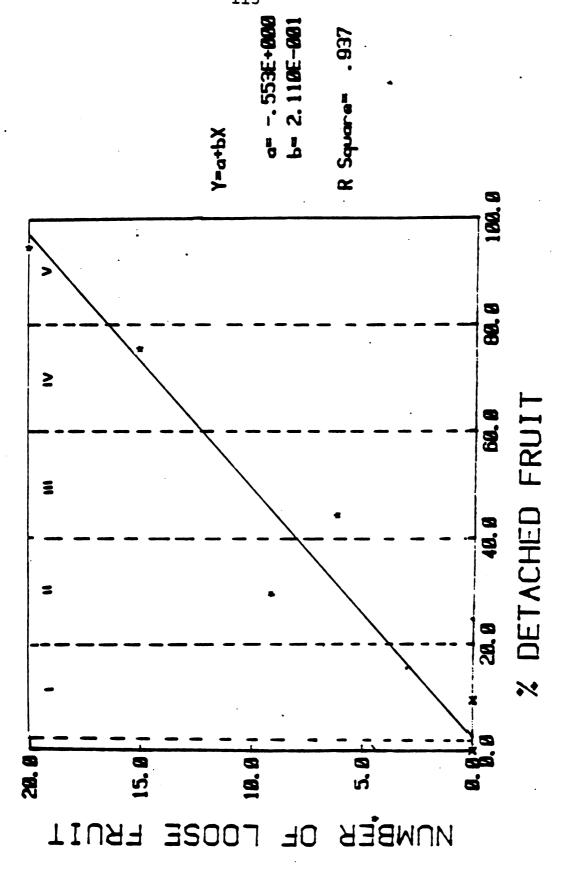
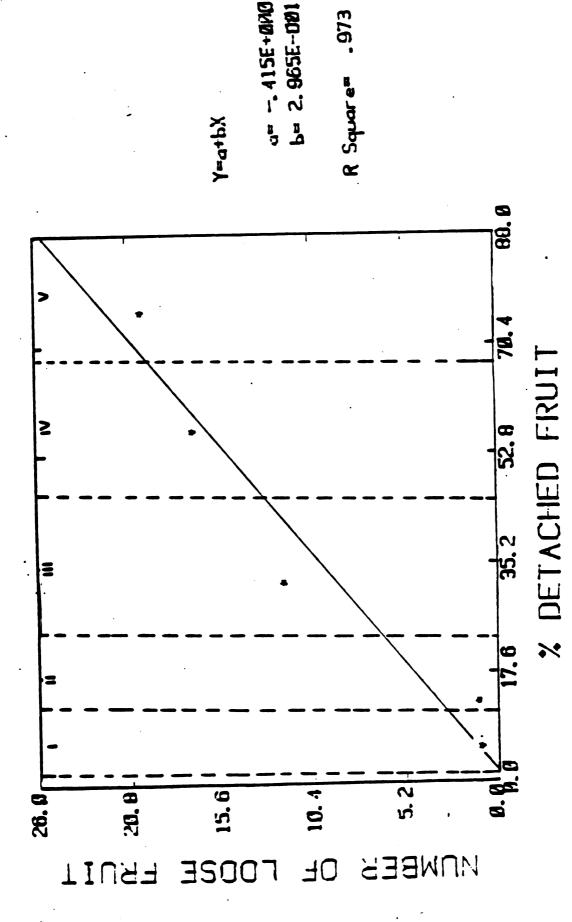


FIGURE 5,8 DURA: RELATIONSHIP BETWEEN LOOSE FRUIT ON THE CIRCLE BEFORE CUTTING THE BUNCH AND PERCENTAGE DETACHED FRUIT TO TOTAL FRUIT AFTER CUTTING THE BUNCH



BEFORE CUTTING THE BUNCH AND PERCENTAGE DETACHED FIGURE 5.9 PISIFERA: RELATIONSHIP BETWEEN LOOSE FRUIT ON THE CIRCLE FRUIT TO TOTAL FRUIT AFTER CUTTING THE BUNCH

criterion of twelve loose fruit may be suggested for Tenera which may be combined with the assessment of ripeness by the consideration of color. The color of the outer fruit should be at least 70% ripe color for Tenera and Pisifera. Thus besides counting or weighing loose fruit, the harvester must also consider the color of the bunch, especially when in doubt. However, to judge the color of the bunch from the ground before cutting is rather difficult, especially when the tree is high. A harvesting interval of seven days, which is common throughout the palm belt, is considered practical.

When the criterion chosen is twelve loose fruit for any size of Tenera bunch, the result will be as shown below:

Bunch Weight(kg)	No. of Loose Fruit per kg of Bunch Weight	Bunch Code
10	1.2	6
12	1.00	6
14	.85	6
18	.66	4
22	.54	3
26	.46	2
30	.40	2
34	.35	1
38	.31	1
42	.28	0

With this criterion, when the harvesting interval is 7 days, it is found that very over ripe bunches with the bunch code #6 are usually consisting of small bunches which are less than 18 kilogram weight. It is, therefore, better to have different criteria for different fields or blocks within an estate.

The simulated capital profiles for interest rates of 9.5%, 10%, 10.54%, 11% and 12% are illustrated in Figure 5.10. It is noteworthy that although positive margins are obtained from the fifth year onward (Table 5.10); when interest is charged at 10% the crop does not pay for itself until the end of twenty-seventh year (Table 5.12). In other words, up to this time, there is a positive capital investment. At 11%, the revenue is never sufficient to cover total capital investment, meaning that there is no breakeven point. At 12%, the capital investment is increasing throughout the crop life.

At the interest rate of 10.54% which is the "internal rate of return" or "yield" the capital investment will just be recovered at about the end of the productive life of the investment.

The simulated discounted future returns are illustrated in Figure 5.11. The profiles of NPV for interest rates of 9.5%, 10%, 10.54%, 11% and 12%. These curves are more closely similar than equivalent capital profiles, so the effect of interest rate on valuation, especially in the

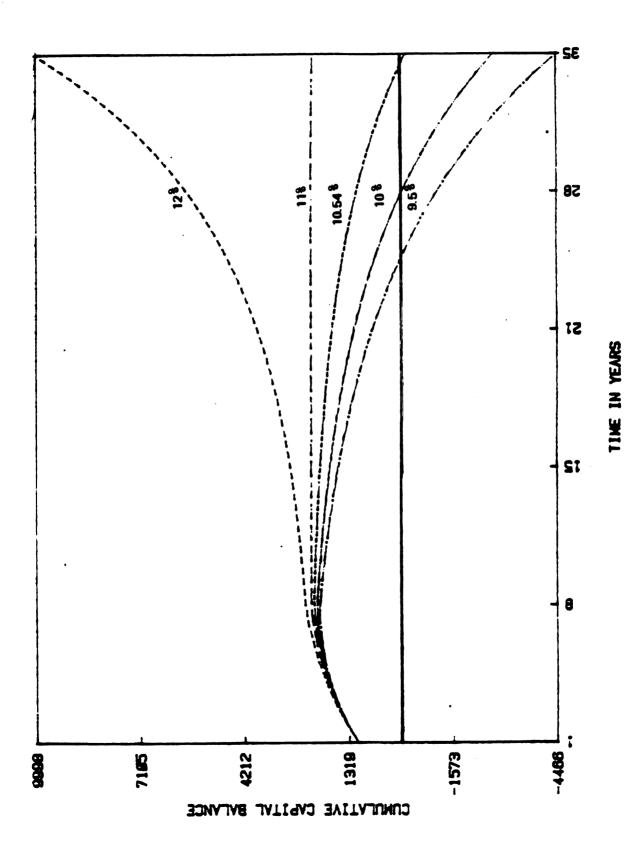


FIGURE 5.10 CAPITAL PROFILE FOR ONE HECTARE OF OIL PALMS

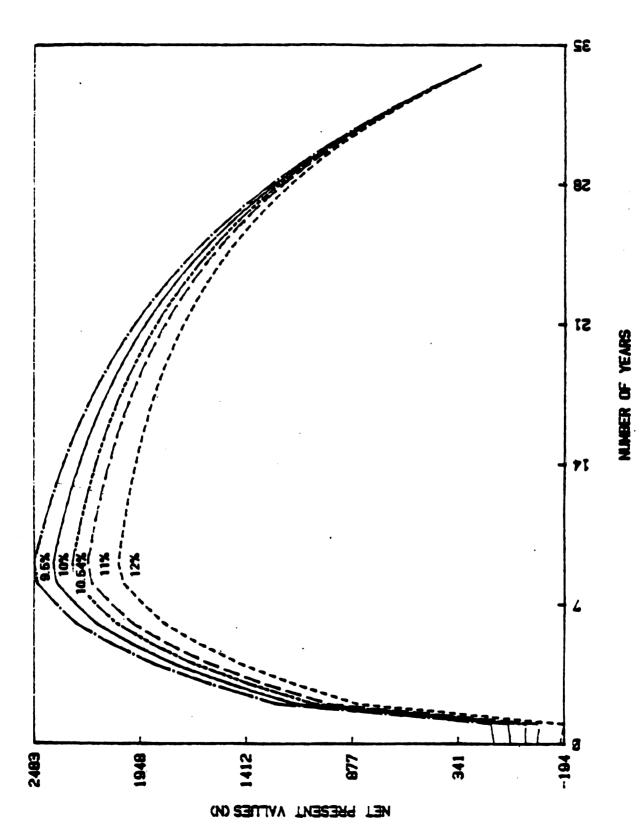


FIGURE 6.11 DISCOUNTED NET PRESENT VALUE OF FUTURE RETURNS FROM ONE HECTARE OF OIL PALMS OVER ITS LIFE

Table 5.10 Revenue and Costs Per Hectare of Oil Palms

	N				
I Year Number	II Yield (kg fruit)	III Revenue	IV Costs	V Margin	VI Cumulative Cost
1	NIL	NIL	1067.45	-1067.45	-1067.45
2	NIL	NIL	220.99	- 220.99	-1288.44
3	NIL	NIL	128.09	- 128.09	-1416.53
4	560	42	78.47	- 36.47	-1453.00
5	1680	126	100.98	+ 25.02	-1427.98
6	2800	210	100.98	+ 109.02	-1318.96
7	3360	252	117.48	+ 134.52	-1184.44
8	4480	336	117.48	+ 218.52	- 965.92
9	5040	378	117.48	+ 260.52	- 705.40
10	5040	378	117.48	+ 260.52	- 444.88
11	5040	378	117.48	+ 260.52	- 184.36
12-35	5040	378	117.48	+ 260.52	Positiv <del>e</del> balances

Note: The original estimates prepared by an F.A.O. advisory team for the Ministry of Agriculture and Natural Resources of Western Nigeria (F.A.O. Team 1974) for use in planning farm settlements. These estimates have been updated using current costs and prices. The third column is obtained by multiplying the yield from the second column by 75/1000 because the current price is N75 per ton. The margin in the fifth column is simply the revenue (column III) minus the costs (column IV). The cumulative cost in column VI is the total of all the annual margins up to and including that year.

latter years, is relatively small. Using the data given in Table 5.10 and assuming that the margin accrues at the end of the year, the value of a hectare of oil palms at the end of its thirty-fourth year would be the discounted margin for the thirty-fifth year. At an interest rate of 10%, this would be \$\frac{1}{2}36.84\$ (see Table 5.11).

As when compounding costs, the interest rate when discounting returns represents the opportunity cost of postponed receipts of money and will incorporate an allowance to cover risk, poor harvesting (too early or late harvesting). Farmers who are abiding with the quality control specifications are encouraged by using a rate equivalent to opportunity cost of capital. In which case, the benefit lost by farmers is the opportunity cost of oil quality and quantity improvement.

Valuation by this method are only negative in the early years of an investment which is uneconomic to start with. For the oil palm crop at an interest rate of 12%, which is higher than the internal rate of return, the valuation is negative at the end of the first year (Table 5.11).

The difference in valuation obtained by the two methods may be illustrated by considering the value of one hectare of oil palms which have been established for 20 years (See Table 5.13).

From this table it is clear that if the opportunity cost of capital is less than the internal rate of return,

Table 5.11 Discounted Net Present Value of Future Returns and Capital Profile from One Hectare of Oil Palm over Its Life Span at 121, 111, 10.541, 101 and 9.51

124	1	Met Dresent	Topport	Capital	Net Dresent	Net Present	Net Present	Capital Profile
0         - 173,469         - 55,837         166,414         1067,45         .25         161,398         168,1398         168,1398         168,1398         168,1398         168,1398         168,1398         168,1398         168,1398         189,149         172,25         178,1398         168,1398         168,1398         189,178         168,1398         168,1398         168,1398         168,1398         168,1398         168,1398         168,1398         189,178         180,938         180,038         189,032         210,038         2217,516         206,577         2167,555         226,27         226,28<	• •	, _	111	111	10.541	_	9.51	9.51
-194,286         -66,414         1067,45         .729         07,225         175           -194,286         -66,414         1067,45         1068,256         1163,398         178           1172,821         1124,029         1601,809         1677,684         178,890         1890           1172,821         1309,937         2095,978         1677,684         1778,890         1890           1641,119         1809,987         2095,978         2277,516         2065,272         2167,555         2269           1824,231         1984,065         2277,516         2065,272         2167,555         2269           2031,684         2289,129         2361,294         2268,272         2167,555         2269           2041,284         2207         218,282         227,519         2362,294         248,286         248,299         248           2040,865         212,344,66         216,616         216,609         248         248,289         248           2051,866         210,606         213,616         226,89         214,786         2214,786         2217,928         246           2064,674         220,806         213,836         214,89         214,886         214,886         214,886         214,886	6	173.46	59.83		099.		60.29	
849         993.729         1405.859         1068.256         11613.398         1259           1172.821         1324.029         1600.809         1600.800         1778.890         1600.800           1441.649         1597.761         1800.982         1991.250         2095           1841.649         1804.065         2217.512         2167.555         2269           1844.131         1898.065         2217.512         2275.290         2269           1844.131         2093.292         2346.922         2173.922         2275.290         2276           2056.977         2218.038         2364.364         2289.129         2275.290         2376           2056.977         2218.038         2268.44         2386.299         2467         2467           2056.987         2174.856         2362.894         22248.609         2376.09         2458           2057.806         2174.856         2362.894         22225.09         2346.70         2366.60         2366.60         2366.90           1945.939         204.292         2361.60         2360.06         2366.60         2376.75         2275.31         2376.75         2376.75         2376.75         2376.75         2376.75         2376.75         2376.75	_	94.28	66.41	067.4	.729	87.225	75.52	90
1172,821         1124,029         1668.594         1401.840         1500.728         1600           1441,649         1537,653         1910.809         1677,684         1973,250         205           1651,117         1809,987         2217,516         2065.272         2167.555         2269           1824,231         1984,065         2217,516         2065.272         2167.555         226           1931,694         2091,292         2216.344         2268.299         2467         226           2056,977         2211,308         236.394         2268.883         229         2467           2057,294         216.394         2268.883         2346.50         2481           2010,806         215.570         2362.29         2225.09         2344.750         241           2010,807         236.894         2248.699         2344.750         241         2366.609         2402           2010,808         217.70,807         2214.869         2344.70         2360.883         2344.750         2314.256         2402           2010,809         217.606         2360.060         2136.70         2225.11         2367.16         2314.256         2402           1948         266.611         2350.00	~	849.84	993.72	405.85	. 25	39	59.65	2
1441.649         1597.763         1910.809         1677.684         1778.890         1880           1651.117         1809.987         2095.978         1800.982         2167.555         2095.20           1824.211         1809.987         22126.922         2173.912         2275.290         2376           2031.292         2216.924         2268.544         2368.299         2467           2056.977         22111.308         2265.894         2289.129         2366.299         2467           2043.294         2194.012         2362.894         2228.609         2340.705         2458           2010.865         217.29.94         2262.894         2228.092         2340.705         2451           2010.866         217.29.894         2248.609         2340.705         2441.705         2441.705         2441.705         2441.706 <td><b>~</b></td> <td>172.82</td> <td>324.0</td> <td>688.5</td> <td>1</td> <td>.72</td> <td>9</td> <td>1649.973</td>	<b>~</b>	172.82	324.0	688.5	1	.72	9	1649.973
1651.117   1809.987   2095.978   1890.982   1993.250   2095   1994.121   1984.065   2217.516   2065.272   2167.555   2269   2241.119   2093.2   2264.364   2268.547   2175.912   2275.299   2264.364   2286.547   2211.308   2263.924   2289.129   2364.299   2467   2043.294   2299.129   2364.299   2467   2043.294   2299.129   2364.299   2467   2043.294   2299.1436   2269.883   2269.883   2264.299   2467   2267.969   2467   2267.969   2467   2267.969   2467   2267.969   2467   2267.969   2467   2267.969   2467   2267.969   2467   2267.969   2467   2267.969   2467   2267.969   2267.999   2467   2267.999   2467   2267.999   2467   2267.999   2467   2267.999   2467   2267.999   2467   2267.999   2467   2267.999   2467   2267.999   2467   2267.999   2467   2267	_	441.64	597.7	910.8	68	778.89		843.19
1824.231         1984.065         2217.516         2065.272         2167.555         226.93           2034.231         2993.292         2226.922         2175.290         2376           2031.694         2189.035         2261.391         2368.290         2376           2031.694         2219.035         2263.44         2368.290         2376           2043.294         2194.032         2363.436         2269.883         2364.750         2483           2043.294         2194.032         2362.292         2269.883         2364.750         2431           2040.866         2174.856         2162.292         2245.993         2364.750         2441           1970.633         2129.943         2361.624         2295.097         2362.315         2363.187           1991.680         2103.717         2360.883         2170.705         2217.956         2403           1918.932         2042.292         2359.147         2103.486         2179.228         2217.955         2166.117           1816.861         1966.611         2359.147         2103.486         2179.228         2217.955         2166.117           1816.862         1966.611         2354.372         1921.921         1981.536         2179.228 <td< td=""><td>2</td><td>651.11</td><td>809.9</td><td>095.97</td><td>98</td><td>993.25</td><td>.5</td><td>993.27</td></td<>	2	651.11	809.9	095.97	98	993.25	.5	993.27
1934.119         2093.292         2326.922         2173.932         2275.290         2375           2031.694         22189.035         2364.364         2268.544         2268.299         2467           2056.977         2211.694         2219.129         2364.750         2467           2022.969         2174.856         2362.894         2248.609         2340.705         2431           2022.969         2174.856         2362.292         2225.092         2314.256         2402           2010.060         2163.627         2362.292         2225.092         2314.256         2402           1991.591         2103.717         2360.060         238.598         2217.953         2295           1946.932         2004.222         2359.147         2103.486         2217.953         2295           1918.932         2004.460         2360.060         238.598         2217.953         2295           1980.661         1966.611         2357.007         2021.771         2089.775         2317           1881.682         1956.611         2357.317         1971.345         2018.232         2018           1862.893         2357.317         1971.345         2018.232         2018         2018           18	۰	824.23	984.0	217.51	. 27	167.55	.5	073.61
2011.694         2189.035         2164.364         2268.544         2168.299         2461           2056.977         2211.308         2363.924         2289.129         2364.609         2468           2043.294         2194.308         2363.44         2269.883         2364.609         2458           2027.969         2174.856         2362.292         2225.092         2364.756         2461           2010.806         2153.570         2362.292         2225.092         2314.256         2402           1991.583         2103.943         2361.624         2189.097         2286.161         2369           1945.939         2074.606         2360.060         2138.596         2275.17.953         2275.316           1946.939         2074.606         2360.060         2138.596         2277.0.362	_	934.11	093.2	326.92	. 63	275.29	:	
2056.977         2211.308         2363.924         2269.129         2366.609         2468.750         2458           2043.294         2269.883         2269.883         2346.750         2458           2017.306         2174.856         2362.292         2225.092         2314.256         2431           2010.806         2153.570         2362.292         2225.092         2314.256         2431           1991.583         2129.943         2361.624         2199.097         2285.161         2361           1971.583         2170.362         2361.62         2369.097         2285.161         2367           1986.61         2002.425         2359.147         2103.486         2179.226         2275           1888.684         2000.425         2359.137         2064.674         2179.226         2275           1864.806         1966.611         2357.007         2021.771         2089.775         2156.11           1864.806         1966.611         2357.371         1921.921         1981.532         2156.11           1874.806         1866.611         2352.833         1863.932         2176.232         2156.131           1673.7462         1878.192         1863.932         2347.324         1863.932         234	•	031.69	189.0	364,36	5	368.29		120.49
2043.294         2194.032         2363.436         2269.883         2364.750         2458           2027.965         2174.856         2362.894         2248.609         2314.256         2431           2010.806         2125.509         2362.894         2325.092         2314.256         2363           1991.583         2129.943         2361.624         2199.097         2268.167         2369           1970.053         2103.717         2360.883         2170.362         2253.157         2314           1945.939         2074.292         2360.883         2170.362         2253.157         2318           1918.932         2004.292         2359.147         2103.486         2177.953         2256           1888.684         2000.425         2357.007         2021.771         208.775         2156           1864.806         1922.419         2357.007         2021.771         208.775         2156           1874.366         1873.345         1974.345         1981.232         2019           1776.770         1818.915         2352.813         1863.972         1981.232         2019           1673.462         1758.476         2352.811.24         1772.105         1819         1673.66         1819 </td <td>•</td> <td>056.97</td> <td>211.3</td> <td>363.92</td> <td>. 12</td> <td>386.60</td> <td>2.5</td> <td>061.42</td>	•	056.97	211.3	363.92	. 12	386.60	2.5	061.42
2027.969         2174.856         2362.894         2248.609         2340.705         2402           2010.806         2153.570         2362.292         2225.092         2340.705         2362.8161           1991.633         2123.71         2360.83         2170.226         2365.161         2369           1970.053         2103.71         2360.83         2170.226         2365.161         2369           1945.939         2074.606         2360.060         2136.598         2217.953         2253.157           1945.939         2074.292         2359.147         2103.486         2217.953         2253           1886.884         2074.292         2357.007         2013.771         2083.775         2156.61           186.862         196.661         2355.758         1974.345         2038.23         2166.61           1874.366         1873.365         2355.758         1974.345         1981.566         1972.166           1774.366         1873.365         2352.833         1863.972         1971.169         1875.169         1972.166           1613.758         1654.386         2349.228         1729.106         1870.566         1836           1613.768         1646.889         1616.921         2347.123	_	043.29	194.0	363.43	88	364.75	9.	996.73
2010.806         2153.570         2362.292         2225.092         2314.256         2402           1991.583         2129.943         2361.624         2199.097         2285.161         2369           1970.053         22103.717         2360.060         2138.598         2217.953         2295           1945.939         2074.292         2360.060         2138.598         2217.953         2295           1988.684         2000.425         2359.147         2103.486         2136.631         2206           1888.684         2000.425         2358.133         2064.674         2136.631         2206           1816.891         2357.007         2021.771         2089.775         2150           186.186         1974.345         2089.775         2150           1776.70         1818.915         2354.372         1921.921         1981.232         2019           1673.462         1878.915         2354.283         1729.106         1875.102         1819           1673.462         186.915         2349.228         1729.106         1875.102         1819           1613.768         1866.921         2349.228         1729.106         1879.106         1879.106           188.115         11442.511	_	027.96	174.8	362.89	.60	340.70		25.90
1991.583         2129.943         2361.624         2199.097         2255.161         2369           1996.053         2103.717         2360.883         2170.362         2253.157         2314           1918.93         2042.292         2360.060         2360.06         2318.598         2277.923         2295           1918.93         2042.292         2359.147         2103.486         2216.238         2228           1886.684         2000.425         2357.007         2021.771         2089.775         2156.611           1864.806         1966.611         2357.007         2021.771         2089.775         2156.611           1714.682         1922.419         2355.758         1974.345         2018.232         2100           1726.770         1818.915         2351.124         1729.105         1991.169         1972.169           1613.758         1669.388         2349.228         1729.106         1775.102         1819           1613.758         166.921         2347.123         1650.340         1675.102         1819           1613.758         1340.667         2339.315         1362.948         1346.067         1539           1188.949         1102.102         2314.26         2314.26         2314.2	~	010.80	153.5	362.29	60	314.25		848.35
1970.053       2103.717       2360.883       2170.362       2253.157       234         1945.939       2074.606       2360.060       2138.598       2217.953       2295         1948.932       2042.292       2359.147       2103.486       2179.228       2253         1886.844       2000.0425       2357.007       2021.771       2089.775       2366.11         1816.862       1966.611       2357.007       2021.771       2089.775       2366.11         1816.862       1922.419       2355.758       1974.345       1991.23       2018.23         1774.366       1873.365       2354.372       1971.921       1972.19       2018.23         1774.366       1878.915       1863.972       1991.59       1891.53       2019         1673.462       175.102       1872.102       1891.50       1972.102       1819         1676.889       1616.921       2347.23       1650.84       1650.04       1650.04       1650.04         186.18       166.889       1616.921       2347.28       1799.915       1860.566       1899         186.18       166.889       1616.921       2347.28       1799.916       1896.83       1618         188.11       1442.511	<b>~</b>	991.58	129.9	361.	.09	285.16	<u>.</u>	63.
1945.939       2074.606       2360.060       2138.598       2217.953       2253         1918.932       2042.292       2359.147       2103.486       2179.228       2206         1888.684       2000.425       2358.133       2064.674       2136.631       2206         186.862       1922.419       2357.007       2019.775       2019.775       2156         1874.365       1922.419       2355.783       1974.345       2018.232       2109         1774.366       1873.365       2352.833       1863.972       1991.169       1972         1774.366       1873.462       1758.476       2351.124       1799.915       1991.169       1972         1673.462       1758.476       2351.124       1799.915       1870.566       1870         1671.462       2347.123       1650.834       1690.782       1637         1771.996       1534.262       2344.787       1564.311       1600.782       1635         1788.115       1442.511       2342.193       1468.670       1369.854       1415         1188.949       11227.621       2336.314       1660.782       1366.323       11691         1071.103       1102.139       2324.266       816.251       825.142 <td>_</td> <td>970.05</td> <td>103.7</td> <td>360.</td> <td>. 36</td> <td>253.15</td> <td>.5</td> <td>670.</td>	_	970.05	103.7	360.	. 36	253.15	.5	670.
1918.932         2042.292         2359.147         2103.486         2179.228         2255           1888.684         2000.425         2358.133         2064.674         2136.631         2206           1864.806         1926.419         2357.007         2021.771         2089.775         2156           1816.862         1922.419         2355.758         1974.345         2018.232         2100           1816.862         1873.365         1873.355         2354.372         1991.1921         1981.535         2019           1726.770         1818.915         2352.833         1863.972         1919.169         1879           1673.462         1758.476         2349.228         1729.105         1879         1879           1613.758         1616.921         2347.123         1650.834         1692.093         1731           1471.996         1534.262         2342.193         1468.670         15300.340         1530           1294.169         1340.667         2332.313         1362.948         1340.532         1050           1294.169         1340.667         2316.119         1266.083         1268.320         1289           1071.103         1102.139         2324.266         816.660         1383	'n	945.939	074.6	360.	. 59	217.95		568
1888.684         2000.425         2358.133         2064.674         2136.631         2206           1864.806         1966.611         2357.007         2021.771         2089.775         2156           1816.862         1922.419         2355.758         1974.345         2038.232         2100           1774.366         1873.365         2354.372         1921.921         1981.535         2039           1774.366         1873.365         2354.372         1972.1921         1919.169         1972           1776.770         1818.915         2352.833         1863.972         1919.169         1972         1819           1673.462         1758.476         2351.124         1799.915         1869.566         1899         1679.169         1875.162         1819           1673.462         1758.476         2344.787         1564.311         1600.782         1675         1819           1746.889         1616.921         2344.787         1566.814         1500.340         1536         1635           188.115         1442.511         2342.193         146.96         1340.667         2332.573         1116.900         1134.63         11227.621         2332.573         1116.900         1134.63         1151	<b>.</b>	918.93	042.2	359.14	48	179.22	_:	
1854.806       1966.611       2357.007       2021.771       2089.775       2156         1816.862       1922.419       2355.758       1974.345       2038.232       2100         1774.366       1873.365       2354.372       1921.921       1981.535       2039         1776.770       1818.915       2352.833       1863.972       1919.169       1972         1673.462       1758.476       2351.124       1799.915       1850.566       1899         1673.462       1758.402       2349.228       1775.102       1819         1640.375       1616.921       2347.123       1650.834       1600.782       1675         1388.115       1442.511       2344.787       1564.311       1600.782       1635         1294.169       1340.667       2339.315       1468.670       1500.340       1518         1188.949       1227.621       2336.119       1246.083       1134.632       1151         1071.103       1102.139       2324.266       816.251       641.764       647.874       653         440.292       446.166       166.146       2314.031       448.866       4452.142       455.142	_	888.68	000.4	358.13	_:	136.6		335.
1816.862     1922.419     2355.758     1974.345     2038.232     2100       1774.366     1873.365     2354.372     1921.921     1981.535     2039       1776.770     1818.915     2352.833     1863.972     1919.169     1972       1673.462     1758.476     2351.124     1799.915     1850.566     1819       1613.758     1691.388     2349.228     1772.102     1819       1546.889     1616.921     2347.123     1650.834     1692.093     1771       1348.115     1340.667     2344.787     1564.311     1600.340     1530       1294.169     1340.667     2339.315     1368.60     1349.854     1415       1188.949     1227.621     2339.315     136.03     134.652     1340.63       1071.103     1102.139     2332.573     1116.900     1134.632     1151       939.116     962.855     2324.266     816.251     647.874     653       440.292     446.866     446.866     452.142     455	<b>æ</b>	854.80	9.996	357.00	•	089.7		01.
1774.366     1873.365     2354.372     1921.921     1981.535     2039       1726.770     1818.915     2352.833     1863.972     1919.169     1972       1673.462     1758.476     2352.833     1863.972     1919.169     1972       1613.758     1691.388     2349.228     1729.106     1775.102     1819       1546.889     1616.921     2347.123     1650.834     1692.093     1731       1471.1996     1534.262     2344.311     1600.340     1530       1294.169     1340.667     2332.193     1468.60     1389.854     1415       1188.949     1227.621     2336.119     1246.083     1268.320     1289       1071.103     1102.139     2332.573     1116.900     1134.632     1151       939.116     962.855     2324.266     816.251     647.874     653       440.292     446.86     647.874     653	<b>a</b>	816.86	922.4	355.75	_:	038.2	_:	054.
1726.770     1818.915     2352.833     1863.972     1919.169     1972       1673.462     1758.476     2351.124     1799.915     1850.566     1899       1613.758     1691.388     2349.228     1729.106     1775.102     1819       1546.889     1616.921     2347.123     1650.834     1692.093     1731       1471.996     1534.262     2344.787     1564.311     1600.782     1635       1388.115     1442.651     2342.193     1468.670     1500.340     1415       1188.949     1227.621     2336.119     1266.083     1268.320     1289       1071.103     1102.139     2322.573     1116.900     1134.632     1151       939.116     962.855     2328.636     816.251     825.813     834       440.292     446.86     647.874     653       440.292     446.86     647.874     653	0	774.36	873.3	354.37	_:	981.5	_:	_:
1673.462     1758.476     2351.124     1799.915     1850.566     1899       1613.758     1691.388     2349.228     1729.106     1775.102     1819       1546.889     1616.921     2347.123     1650.834     1692.093     1731       1471.996     1534.262     2344.787     1564.311     1600.782     1635       1294.169     1442.511     2342.193     1468.670     1500.340     1530       1294.169     1327.621     2335.11     1246.083     1249.854     1415       1071.103     1102.139     2332.573     1116.900     1134.632     1151       939.116     962.855     2324.266     816.251     825.813     834       625.725     636.636     2314.031     448.886     452.142     455	_	726.77	818.9	352.83	=	919.1	_:	-
1613.758     1691.388     2349.228     1729.106     1775.102     1819       1546.889     1616.921     2347.123     1650.834     1692.093     1731       1471.996     1534.262     2344.787     1564.311     1600.782     1635       1388.115     1442.511     2342.193     1468.670     1500.340     1530       1294.169     1300.667     2332.31     136.948     1389.854     12415       1102.139     2332.573     1116.900     1134.632     1151       992.116     962.855     2328.636     974.101     987.575     1000       993.116     962.855     2324.266     816.251     825.813     834       440.290     440.292     446.86     446.86     452.142     455	~	673.46	758.4	351.12	_:	850.5	899.	
1546.889         1616.921         2347.123         1650.834         1692.093         1731           1471.996         1534.262         2344.787         1564.311         1600.782         1635           1386.115         1442.511         2332.193         1468.670         1500.340         1530           1294.169         1340.667         2339.315         1362.948         1389.854         1415           1188.949         1227.621         2336.119         1246.083         1268.320         1289           1071.103         1102.139         2332.573         1116.900         1134.632         1158           992.855         2324.266         816.251         825.813         834           791.290         808.249         2324.266         816.251         825.813         834           625.725         636.636         2314.031         448.866         452.142         455.	<b>~</b>	613.75	691.3	349.22	729.	775.10	819.	•
1471.996     1534.262     2344.787     1564.311     1600.782     1635       1388.115     1442.511     2342.193     1468.670     1500.340     1530       1294.169     1340.667     2339.315     1362.948     1389.854     1415       1188.949     1227.621     2336.119     1246.083     1268.320     1289       1071.103     1102.139     2332.573     1116.900     1134.632     1151       939.116     962.855     2328.636     974.101     987.575     1000       625.725     636.636     2314.031     448.886     452.142     455.142	₹ :	546.88	616.92	347.12	650.	692.09		
1388.115     1442.511     2342.193     1468.670     1500.340     1530       1294.169     1340.667     2339.315     1362.948     1389.854     1415       1188.949     1227.621     2336.119     1246.083     1268.320     1289       1071.103     1102.139     2332.573     1116.900     1134.632     1151       939.116     962.855     2328.636     974.101     987.575     1000       625.725     636.636     2319.415     641.764     647.874     653       440.292     446.146     2314.031     448.886     452.142     455	S	471.99	534.26	344.78	564.	600.78		•
1294.169     1340.667     2339.315     1362.948     1389.854     1415       1188.949     1227.621     2336.119     1246.083     1268.320     1289       1071.103     1102.139     2332.573     1116.900     1134.632     1151       939.116     962.855     2328.636     974.101     987.575     1000       791.290     808.249     2324.266     816.251     825.813     834       625.725     636.636     2319.415     641.764     647.874     653       440.292     446.146     2314.031     448.886     452.142     455	۰	388.11	442.51	342.19	468.	00.34	ë	- 442.748
1188.949     1227.621     2336.119     1246.083     1268.320     1289       1071.103     1102.139     2332.573     1116.900     1134.632     1151       939.116     962.855     2328.636     974.101     987.575     1000       791.290     808.249     2324.266     816.251     825.813     834       625.725     636.636     2319.415     641.764     647.874     653       440.292     446.146     2314.031     448.886     452.142     455	7	294.16	340.66	339.31	62.94	89.85	'n	- 745.329
1071.103     1102.139     2332.573     1116.900     1134.632     1151       939.116     962.855     2328.636     974.101     987.575     1000       791.290     808.249     2324.266     816.251     825.813     834       625.725     636.636     2319.415     641.764     647.874     653       440.292     446.146     2314.031     448.886     452.142     455	•	188.94	227.62	336.11	46.08	68.32	÷	076.
939.116 962.855 2328.636 974.101 987.575 1000 791.290 808.249 2324.266 816.251 825.813 834 625.725 636.636 2319.415 641.764 647.874 653 440.292 446.146 2314.031 448.886 452.142 455.	6	01.170	102.13	332.57	16.90	34.63	151.	-1439.458
791.290 808.249 2324.266 816.251 825.813 834 625.725 636.636 2319.415 641.764 647.874 653 440.292 446.146 2314.031 448.886 452.142 455	0	39.11	62.85	328.63	74.1	87.57	000	6.72
625.725 636.636 2319.415 641.764 647.874 653 440.292 446.146 2314.031 448.886 452.142 455	_	91.29	08.24	324.26	16.2	25.81	¥.	1.73
440.292 446.146 2314.031 448.886 452.142 455	~	25.72	36.63	319.41	41.7	47.87	53.	18.07
	<b>.</b>	40.29	46.14	314.03	18.88	52.14	55.	-3269.657
232.607 234.702 2308.054 235.679 236.836 237	_	9.	0	308.05	235.679		•	-3840.794

,

Table 5.12 Capital Profile for One Hectare of Oil Palm Over Its Life Span at 12%, 10.54% and 10%

ear	12%	Interest Rates 10.54%	10%
1	1067.45	1067.45	1067.45
1 2	1416.534	1400.949	1395.18
3	1714.608	1676.699	1662.79
4	1956.831	1889.893	1865.54
5	2166.630	2064.068	2027.07
•	2317.606	2172.600	2120.76
7	2461.199	2267.073	2198.32
3	2538.023	2287.502	2199.63
)	2582.065	2268.085	2159.07
)	2631.393	2246.621	2114.46
L	2686.641	2222.895	2065.39
<b>}</b>	2748.518	2196.668	2011.41
	2817.820	2167.677	1952.03
	2895.438	2135.630	1886.71
	2982.371	2100.206	1814.86
	3079.735	2061.047	1735.83
	3188.784 3310.918	2017.762	1648.89 1553.26
•	3447.708	1969.914 1917.023	1448.07
	3600.913	1921.927	1332.35
	3772.503	1793.929	1205.07
	3964.683	1722.489	1065.06
	4179.925	1643.520	911.04
	4420.996	1556.227	741.63
	4690.995	1459.733	555.27
	4993.395	1353.069	350.28
7	5332.082	1235.163	124.79
}	5711.412	1104.829	- 123.24
İ	6136.262	960.758	- 396.09
	6612.093	801.502	- 696.22
	7145.025	625.460	-1026.36
	7741.908	430.864	-1389.52
	8410.417	215.757	-1788.99
•	9159.147	- 22.021	-2228.41
5	9997.725	- 284.862	-2711.77

Table 5.13 Valuations of One Hectare of 20-Year-Old Oil Palms (N)

		Rate of Interest/Opportunity Cost of Capital				
		Yield*				
	10%	10.54%	12%			
Cumulative Expenditure	1332.35	1921.92	3600.91			
Discounted Future Returns (Net Present Value)	1981.53	1921.92	1774.36			

Yield Value

<sup>\*</sup> The valuation obtained by compounding or discounting at the rate of the internal rate of return is referred to as the "yield value."

for example at the rate of 10%, the net present value is greater than the yield value and the cost is lower. Conversely, if the opportunity cost of capital is greater than the internal rate of return, for example at the rate of 12%, the net present value is less than the yield value and the capital cost is higher. This is a useful guideline in the choice of interest rates and payment of compensation as an incentive for the improvement and expansion of oil palm production.

Table 5.14 illustrates the different annual revenues from different harvesting procedures. For example, in the first year of harvest, if normal harvesting is done, the annual revenue per hectare would be N42 but if unripe fresh fruit bunches are always harvested, the annual revenue would be N21.84, which is about 50% loss. A loss of this magnitude should be of great concern to any serious farmer or grower.

Table 5.14b shows higher gross revenue of 12%, under quality control measures. The increase is due to the award of standard premium. Although it assumed that there is no increase in cost in order to adopt the quality evaluation process, the fact remains that growers are offered the opportunity to increase their revenue through the award of standard and quantity premium. This is more vividly illustrated in Figure 5.12b.

Figure 5.12 is a graphical explanation of the farmers

Table 5.14 Simulated Annual Revenue for One Hectare of Oil Palm - Grower

Year	Revenue	Revenue Harvesting Unripe Fruit	Revenue	Harvesting Fruit	Over Ripe
1	NIL		LF 10	LF 20	LF 30
2	NIL				
3	NIL				
4	42	21.84	41.28	28	21
5	126	65.52	123.90	121.80	119.70
6	210	109.20	206.50	203	199.50
7	252	131.04	247.80	243.60	239.40
8	336	174.72	330.40	324.80	319.20
9	378	196.56	371.70	365.40	359.10
10	378	196.56	371.70	365.40	359.10
11	378	196.56	371.70	365.40	359.10
12-35	378	196.56	371.70	365.40	359.10

LF = Loose Fruit

Table 5.14B Showing a Grower's Annual Gross Revenue for One Hectare of Oil Palm and the Associated Losses when Under-ripe and Over-ripe FFB are Harvested

Year		Revenue wality Cont Normal		Gross Revenue with Quality Control Normal
1	••			
2				
3		••		
4	21.84	42	21	47.32
5	65.52	126	119.70	141.96
6	109.20	210	199.50	236.00
7	131.04	252	239.40	283.92
8	174.72	336	319.20	378.56
9	196.56	378	359.10	425.88

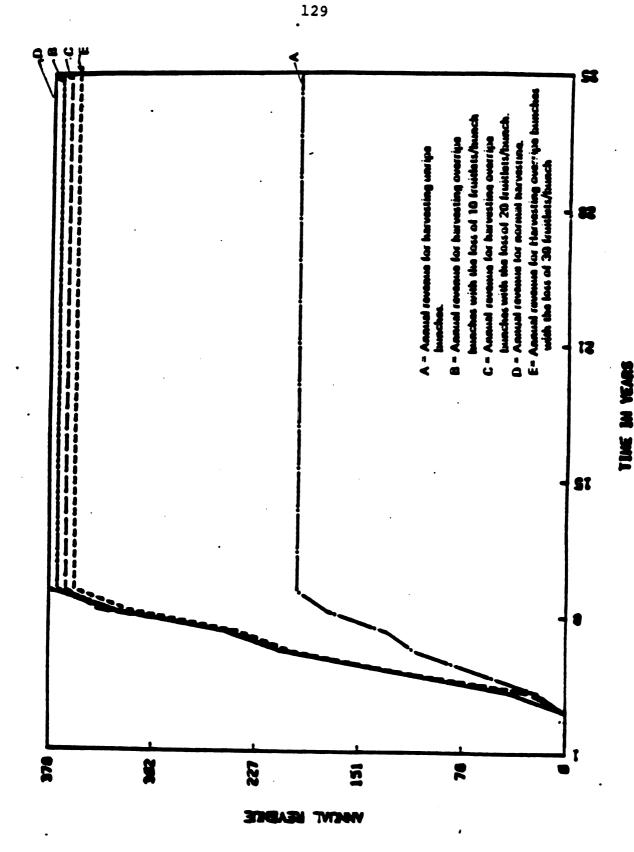


FIGURE 5. 12 SIMULATED ANNUAL REVENUE FOR ONE HECTARE OF OIL PALM - GROWER



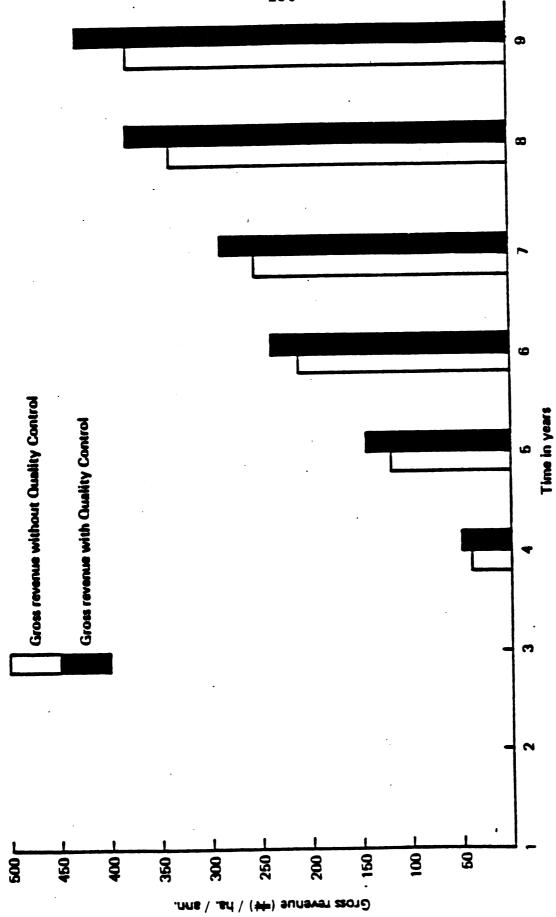


Figure 5.  $12b\,$  Showing a grower's annual gross revenue per hectare of oil palm with and without **Quality Control.** 

annual income based on the harvesting performance. Similarly, Table 5.15 and Figure 5.13 are for processors or both. For the processor or both, the low annual revenue as a result of harvesting over ripe fresh fruit bunches (ffb) are more obvious because the loss is not only due to increased loose fruit but also due to the poor quality of the oil resulting from the increased free fatty acid (ffa) content.

Tables 5.16, 5.17, 5.18 illustrate the effect of time delay and the fruit condition on quality and value for the varieties, Tenera, Dura and Pisifera, respectively. tables are simulated effects of time delay in days on unbruised, moderately and severely bruised fruit in terms of quality and value. Although the two factors, quantity and quality are inextricably related, the harvesting criterion is directly most important in oil quantity and indirectly in quality. This is because of the damage factor in quality deterioration that undamaged ripe fruit contains low free fatty acid. For example in Table 5.16, the variety-Tenera contains as low as 1.29% free fatty acid when unbruised and processed the same day and the fresh fruit bunch is valued one naira, sixty-six kobo (N1.66). When moderately bruised and delayed for three days, the free fatty acid rises to 2.40% and the bunch value drops to one naira, forty kobo (N1.40). If it were possible to avoid damage entirely, then maximum oil quantity could be obtained without quality

Table 5.15 Simulated Annual Revenue for One Hectare of Oil Palm - Processor or Both

Year	Revenue	Revenue Harvesting Unripe Fruit	Revenue	Harvesting Fruit	Over Ripe
1	NIL		10	20	30
2	NIL				
3	NIL				
4	42	21.84	39.00	36.00	33.00
5	126	65.52	117	108	99
6	210	109.20	194.95	179.90	164.85
7	252	131.04	233.94	215.88	197.82
8	336	174.72	311.92	287.84	263.76
9	378	196.56	350.91	323.82	296.73
10	378	196.56	350.91	323.82	296.73
11	378	196.56	350.91	323.82	296.73
12-35	378	196.56	350.91	323.82	296.73

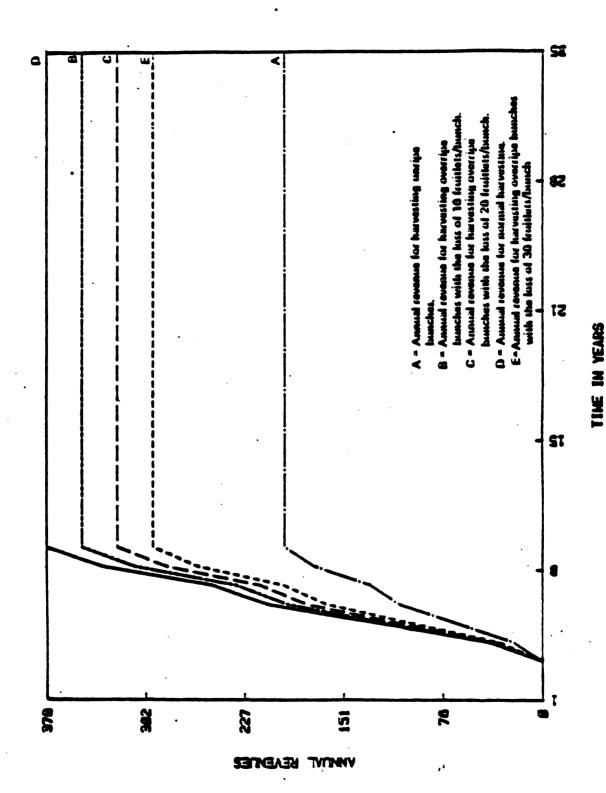


FIGURE 6.13 SIMILLATED ANNUAL REVENUE FOR ONE HECTARE OF OIL PALM — PROCESSOR OR BOTH.

Table 5.16 Simulated Effect of Time Delay and Fruit Condition on Fruit Quality and Value

Variety: Tenera

Fruit Condition (Degree of Bruising)	Length of Delay (Days)	% FFA Content	Amount Due Farmer (N/FFB)
U	0	1.29	1.66
М	1	1.74	1.56
М	2	2.07	1.47
м	3	2.40	1.40
S	1	1.94	1.51
S	2	2.27	1.43
S	3	2.60	1.35

U = Unbruised

M = Moderately bruised

S = Severely bruised

Table 5.17 Simulated Effect of Time Delay and Fruit Condition on Fruit Quality and Value

Variety: Dura

Fruit Condition (Degree of Bruised)	Length of Delay (Days)	% FFA Content	Amount Due Farmer (M/FFB)
Ü	0	1.26	1.68
М	1	1.72	1.57
М	2	2.05	1.48
М	3	2.37	1.41
S	1	1.92	1.52
s	2	2.25	1.44
s	3	2.57	1.36

U = Unbruised

M = Moderately bruised

S = Severely bruised

Table 5.18 Simulated Effect of Time Delay and Fruit Condition on Fruit Quality and Value

Variety: Pisifera

Fruit Condition (Degree of Bruised)	Length of Delay (Days)	% FFA Content	Amount Due Farmer (N/FFB)
U	0	1.22	1.69
М	1	1.66	1.58
М	2	1.92	1.52
M	3	2.18	1.45
S	1	1.86	1.53
s	2	2.12	1.47
s	3	2.38	1.40

U = Unbruised

M = Moderarely bruised

S = Severely bruised

degradation through free fatty acid increase, but at present the greater mount of oil derived from fruit is accompanied by higher free fatty acid values. The higher the loose fruit number, the higher is the free fatty acid (ffa) content. The exocarp becomes softer as the fruit ripens, so the fruit is damaged more readily.

Figures 5.14, 5.15, 5.16 further convey the idea that quality control begins in the field because as far as free fatty acid content is concerned. the influence of harvesting, handling standards and timing of fruit flow to the mill are of paramount importance if oil of low free fatty acid is to be produced. The effect of time delay on the fruit becomes critical when the bunch or fruitlets have suffered some degree of brusing or damage. For example, in Figure 5.14 the severely bruised fruit delayed for three days has 20% quality degradation than the moderately bruised fruit delayed for the same number of days.

The objective of oil palm cultivation is to produce the highest yield of good quality palm oil per unit area in the most economical way. The last consideration requires harvesting with an interval of several days. Consequently the crop will consist of bunches at different stages of ripeness. Therefore, the aim of harvesting is to get a crop with a composition as near as possible to ideal, that is the largest number of exactly ripe bunches. Regular analysis of crop composition is a means of crop quality control. The

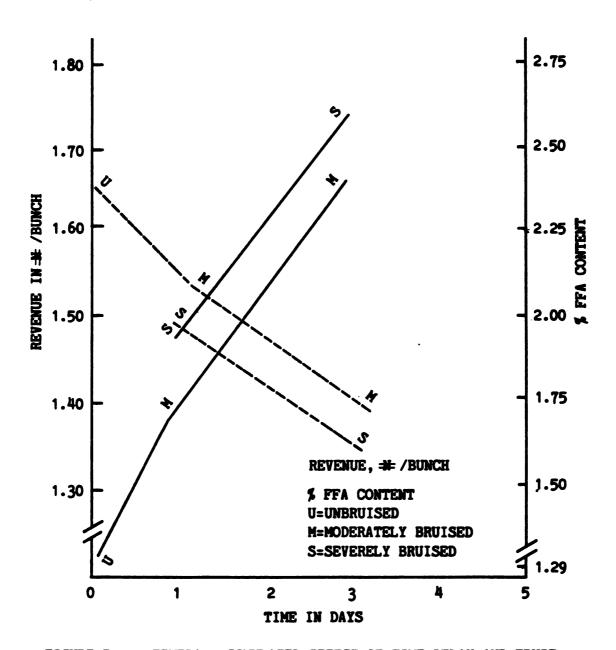


FIGURE 5. 14 TENERA: SIMULATED EFFECT OF TIME DELAY AND FRUIT CONDITION ON QUALITY AND VALUE.

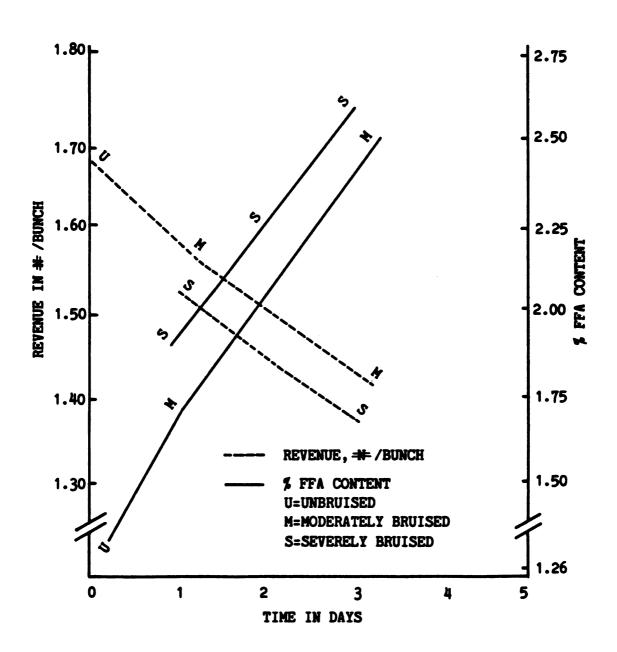


FIGURE 5. 15 DURA: SIMULATED EFFECT OF TIME DELAY AND FRUIT CONDITION ON QUALITY AND VALUE.

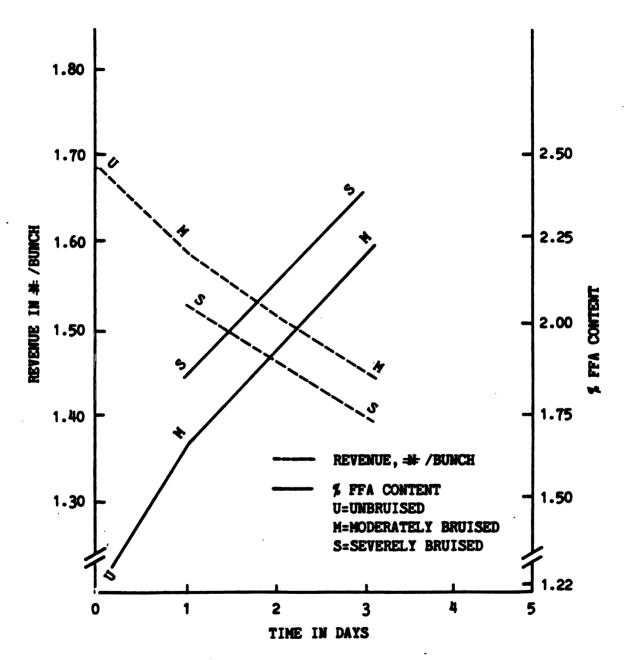


FIGURE 5.16 PISIFERA: SIMULATED EFFECT OF TIME DELAY AND FRUIT CONDITION ON QUALITY AND VALUE.

model achieves this by sorting samples of harvest according to degree of ripeness. The most convenient place to do this is at the reception station of the Mill. Under estate or plantation environment, the control can be effected at the collection points in the field in order to check the discipline of the harvesters, and ensure that the minimum ripeness critera are being obeyed.

The assessment of the incoming crop quality on daily basis and the analysis of a farmer's supply by this model is very useful both to the Mill manager and the grower. The data collected in the analysis using the forms designed for that purpose (see Appendix 11 and 12), could be periodically compared with that from previous analyses. Under estate or plantation environment by following these data every day, one may know whether because of change in climate or other factors, crops are becoming more unripe or ripe, whether minimum ripeness criteria and harvesting cycle should be adjusted or not and whether loose fruits are collected completely or not. One may also account for changes in oil and free fatty acid content, whether oil content is declining because of an increase of losses in the processing mill or because of an increase in quantity of unripe bunches or because of incomplete fruiting and whether free fatty acid level is increasing because the number of over ripe bunches is increasing or not. Similarly, compiled monthly report to a farmer or supplier could also be of assistance in making adjustments where necessary.

Since there are many variable conditions, such as variety of planting age of planting, climate, discipline and intelligence of the harvesters, etc., it is difficult to get experimental evidence upon which to base a definite ripeness Therefore, a decision on the minimum ripeness criterion and harvesting cycle for a certain planting should be made by trial and error. For this, harvest analysis data may be used. The right combination of minimum harvest ripeness criterion and harvesting interval is the one that will yield a crop composition as shown by harvest analysis data, which is in accordance with quality and quantity requirements. Examples of such harvest analysis are shown in the appendices. Once the right criterion and cycle are found, these may be adjustd later when required as indicated by harvest analysis data. An unripe harvest which has too many unripe bunches, is not only the result of a too low criterion or too short harvesting rounds, but also the result of low discipline of harvesters. In which case, the farmers should also learn to set up high incentives for the harvesters, if they hope to enjoy the benefit of the quality control measures.

The sensitivity tests were made to identify the degree of this model response to various input variables. The examples of these test results are presented in Table 5.19.

From Table 5.19, the first sensitivity analysis, with a

Table 5.19 The Sensitivity Analysis Results

Item .		Sens:	itivity Ar 2	nalysis 3
Harvest Composition	9-11		20:60:20	15:70:15
	% detached fruit	28.75	29	29.25
	% FFA	1.14	1.14	1.15
	% oil in mesocarp	49.32	49.36	49.39
Net Present Value	Int. Rate/ Opp. Costs			
	of Capital	•	20 yrs.	
	10.54%	2269.38	1921.92	448.88
	11%	2194.03	1873.36	446.14
	12%	2043.29	1774.36	440.29
*Quality and Value	Time Delay in Days	•		
		Ŭ	M	S
	. 5	1.09	1.49	1.69
		† (N1.54)	(N1.46)	( <b>H1.41</b> )
	1	1.25	1.65	1.85
		(N1.51)	(M1.42)	(M1.38)
	2	1.58	1.98	2.18
		(¥1.44)	(¥1.35)	( <b>M1.</b> 30)

<sup>\*</sup>The first sensitivity analysis was for unbruised bunch, while the 2nd and 3rd runs were for bunches with different degrees of damage, in this case moderately and severely bruised, respectively.

<sup>†</sup> Value of bunch.

N Nigerian currency (1 ¥ = \$1.33)

harvest composition of 25:50:25, the percentage detached fruit is 28.75, the percentage free fatty acid is 1.14 and the percentage oil in mesocarp is 49.32. In the second analysis, with harvest composition 20:60:20, the percentage fruit is 29.00, the percentage free fatty acid is 1.14 and the percentage oil in mesocarp is 49.36, and in the third analysis with harvest composition 15:70:15, the percentage detached fruit is 29.25, percentaged free fatty acid is 1.15 and percentage oil in mesocarp is 49.39. The table shows that 20% increase in the proportion of ripe fruit and the same percentage decrease in the proportion of unripe and over ripe fruit, there is little or no effect on the quality, in terms of free fatty acid content (1.14%). But with 40% increase in the proportion of ripe fruit and the same percentage decrease in the proportion of unripe and very ripe fresh fruit bunches, there is an increase in free fatty acid content from 1.14% to 1.15%. The therefore, is not very sensitive to small changes in a harvest composition, especially when the ripe proportion is double or more than double the unripe and very ripe proportion.

The net present value at the interest rate of 10.54% is \$2269.88 at the tenth year but with 11% interest rate, for the same year, there is a decrease of 3% (\$2194.03) and with 12% interest rate for the same year, there is a decrease of 7% (\$2043.29) but at the later year, for example 33rd year

there is only 1% decrease irrespective of the rate of interest. The model is, therefore, more sensitive to the effect of interest rate, inflation, etc. at the, early life span of the palm tree and very insensitive to the effect of interest rate on net present value in the later years of the crop. This means that the effect of interest rate on the valuation especially in the later years is relatively small (see Figure 5.11).

The model is sensitive to the effect of time delay on fresh fruit bunches. quality and value of the The sensitivity of the effect of the bunch condition on its quality and value is very high and has an overriding effect on the time delay per se. For example, the table shows that an unbruised fresh fruit bunch delayed for two days has about the same value (\$1.44) as moderately bruised fresh fruit bunch delayed for only half a day. In addition the quality of severely bruised fresh fruit bunch (ffb), delayed for just half day is very much lower than the quality of an unbruised fresh fruit bunch delayed for two days. means that much as it is important to transport the fresh fruit bunches to the Mill as soon as possible, it is more important to avoid bruising and damage as far as possible at all stages from the time of harvesting to the time of the fruit sterilization.

# CHAPTER 6

## Summary

The objective of oil palm cultivation is to produce the highest yield of good quality palm oil per unit area at the farmer's level. This last consideration requires harvesting with an interval of several days. Consequently the crop will consist of bunches at different stages of ripeness. Therefore, the ultimate goal of harvesting is to get a crop with a composition that has the largest number of exactly ripe bunches. Regular analysis of crop composition is a means of crop quality control. A system analysis approach was used in the analysis of the harvest composition and prediction of the quality and quantity of the oil from fresh fruit bunches (ffb) supplied in the "oil palm belt" of Nigeria.

The assessment of the incoming crop quality on daily basis and the analysis of a farmers supply by this model is very useful both to the mill manager and the grower. The data collected in the analysis could be compared with data from previous analysis periodically. Under estate or

plantation environment, by following these data every day, one may know whether because of change in climate or other factors, crops are becoming more unripe or ripe, whether minimum ripeness criteria and harvesting cycle would be adjusted or not and whether the loss due to increased loose fruit are prevalent or not. One may also account for changes in oil and free fatty acid content, whether oil content is declining because of an increase of losses in the processing mill or because of an increase in quantity of unripe bunches or because of incomplete fruiting and whether free fatty acid level is increasing because the number of over ripe bunches is increasing or not. Similarly, a compiled monthly report to a farmer or supplier could also be of assistance in making adjustments where necessary.

The discounting technique and capital profile method are used as the economic framework for estimating returns from the oil palm trees and tracing the pattern of capital requirement throughout the economic life of the tree.

Crop quality control by harvest analysis, using this model, which sorts the fresh fruit bunches into different bunch codes or classes according to different degree of ripeness, as described in the main text, is very useful both for the mill manager, field manager and the grower. By this means the manager may account for processing results, especially a decrease of oil yield and increase of free fatty acid caused by field factors. The field manager or

grower may decide at the right time to adjust the minimum harvest ripeness criterion and harvesting cycle to changing outside factors, like influence of climate, age and others.

For the 'oil palm belt' area, a minimum harvesting standard of twelve loose fruit is suggested if 30% detached fruit is the target. At the mill end, the management should aim at having as many bunches as possible within the range of 28% to 31% detached fruit to total fruit. The color of the outer fruit should be at least 70% ripe color. alone cannot be used as a ripeness criterion, especially by inexperienced harvesters because of variation in color within bunches in the same class of ripeness. These variations suggest that visual symptoms of ripeness can indicate either apparent or optimum ripeness of a bunch and harvesting the bunches on the basis of visual assessment only can lead to either high or low free fatty acid (ffa). In addition when the harvester has to harvest a bunch from a height, particularly when it is partially hidden from view by the subtending fronds, a certain amount of error in judgement is unavoidable. Although the change in color is highly correlated to change in percentage free fatty acid, for more accurate assessment of ripeness, other factors in addition to color changes should be used. The use of color as an indicator will be more accurate if the harvesters are given some special training.

It is apparent from all these basic considerations that

the most important requirement for obtaining oil of low ffa content from ripe fruit is to avoid bruising and damage as far as possible at all stages from the time of harvesting to the time of processing. The management or grower should ensure that unripe and very ripe bunches are kept to a minimum and that all loose fruit are collected.

### CHAPTER 7

### Conclusions

- 1. The number of loose fruit as it is used by the harvesters in the field and the percentage detached fruit are highly correlated and predict the degree of ripeness very effectively. Therefore, the quality control measures can be enforced from the Mill reception end by relating the percentage detached fruit at the Mill to the number of loose fruit at the base of the tree.
- 2. The control of percentage detached fruit alone does not affect the choice of appropriate premium substantially and, therefore, has little or no effect on the revenue accruing to the farmer. The world market price of \$\textbf{N}800\$ per ton of oil and the quality premium award of 1 percent per every percent below 5 percent are not enough to encourage Nigeria growers to produce high quality oil. To recapture market share, Nigeria must offer artificial incentives not based on

world market premiums.

- 3. Although the change in color is highly correlated to change in percentage free fatty acid, color alone cannot be used as a ripeness criterion, especially by inexperienced harvesters because of the variation in color within bunches in the same class of ripeness.
- 4. The quality control model can supply information necessary to take management decisions related to adjustment of harvesting system. The model can predict a yield in terms of quantity (oil in mesocarp), and quality (percent free fatty acid content).
- 5. Based on the simulation results the most important requirement for obtaining oil of low free fatty acid content from ripe fruit is to avoid bruising and damage as far as possible at all stages from time of harvesting to the time of processing.

#### CHAPTER 8

# Suggestions for Further Study

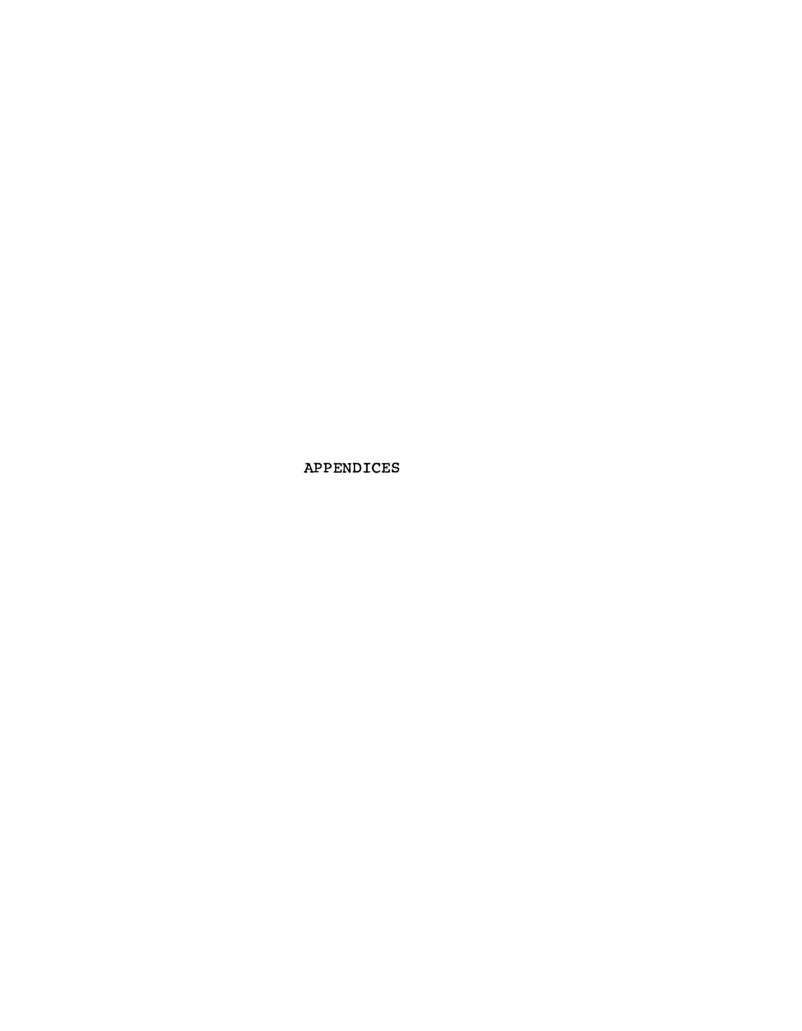
In this study, it is assumed that the effects of weather can be minimized by good supervision and discipline. The effect of exogenous variables like weather effects, soil fertility and other environmental factors on different types and ages of palm should be studied.

The model developed in this way should further be expanded to include labor availability and its relation to fruit quality.

In this study, it is assumed that within broad limits, changes in harvesting systems do not significantly affect the harvesting cost. This is not necessarily true. So an in-depth study is required to assess and put cost to any combination of harvesting interval and harvesting standard by considering the amount of loose fruit and the walking time between palms containing ripe bunches. This cost can then be used in conjunction with the oil yield and oil quality data to obtain the optimal harvesting system.

The effort required to develop a workable model, from a

measurement concept, in the absence of instrumentation (spectrophotometers) to follow changes during maturation of the oil palm bunches, can indeed be quite substantial. However, the development of effective instrumentation and measurement techniques for quality evaluation and quality control is one of many important challenges for scientists and engineers in the oil palm industry. The future need for such instruments will become even more important in view of increasing labor costs and the trend toward mechanical harvesting and handling of oil palm bunches.



Appendix 1 Input Format for the Oil Palm Quality Control Model

Input	Description
Premium:	This is the quantity premium which could vary on a daily basis.
Farmers Name:	The name of the farmer or field supervisor's name in the case of a government estate.
The State Name:	The State of origin where the plantation is located.
The Name of Plantation:	The name of the plantation, but in the case of a government owned estate, the field number should be entered.
The Variety:	Three varieties are considered and these are (1) Pisifera, (2) Tenera and (3) Dura.
Number of Detached Fruit:	N or W. This is entered either in number or weight.
Bunch Weight:	The weight of the bunch is entered in kilograms.
Time Delay:	Time delay is entered in days. This is the time delay between the time the fresh fruit bunches (ffb) are harvested and their delivery at the mill for processing.
Condition of the Fruit:	<pre>U = unbruised M = moderately bruised S = severely bruised V = very severely bruised X = extremely bruised Help = gives more detailed</pre>
Age:	The age of the palm tree in years

Appendix 2 Price of Fresh Fruit Bunches Based on Bunch Code

Bunch Code	Price (M/Ton)
0	Green Bunches Rejected
1	10.00
2	40.00
3	75.00
4	75.00
5	40.00
6	10.00

The above is the suggested computer simulation prices based on degree of ripeness. Current price is N75/ton for any fresh fruit bunch accepted irrespective of the degree of ripeness.

Appendix	x 3 Percent Differe	age FFA tro nt Estates		mches a	t Diffe	Fruit Bunches at Different Stages of Rig Tenera	Ripeness from	<b>E</b>
Estate	Average	Bunch Degree	No. of	₩.		Bunch	Jo 1	-
Ξ	Bunch		Loose	of.	I PPA	Color	Ripe	<b>Detached</b>
	We ight	Ripeness	Pruits	Tests	Ξ	(00)	Color	Pruits
	(K)		3				æ	(2)
				•	36		•	
Elele	=	very unripe		•	C .	dreen	-	>
3	=	un ri pe	~	<b>~</b>	18.	yellow green	37	9
	14.5	under ripe	•	<b>•</b>	1.01	yellow orange	53	15
	15	Just ripe	12	•	1.20	orange (shade)	69	37
	17		20	S	1.48	_	11	20
		•				(tone)		
	17	over ripe	29	S	•	red	68	69
	8 7	very over ripe	36	S	2.17	red	100	. 85
COWAIN	12	very unripe	•	9	09.	green	•	
(B)	15	r o	-	•		yellow green	40	7
	15	under ripe	•	10	9.	_	20	17
	17	just ripe	7.	10	1.21		<b>89</b>	30
	15	rlpe	23	S	1.70	red orange	87	52
	16.5	over ripe	30	S	1.91	red	88	70
		very over ripe		9	2.21	red	100	90
NIFOR	13	very unripe	•	•	09.	green	•	0
(C)	<b>91</b> .	unripe	•	9	.67	yellow green	<b>4</b> 3	<b>&amp;</b>
	17	under ripe	S	10	.73	_	47	12
	<b>16</b>	just ripe	13	10	1.35	orange	7.3	35
	16	ripe	18	9	•	red orange	81	20
	19	over ripe	28	9	2.05	red	93	92
	20	very over ripe		<b>9</b> ,		red	100	82
MEAN	12	very unripe	•	16	.65	green	•	0
	15	unripe	~	16	.72	yellow green	<b>0</b>	7
	15.5	under ripo	•	<b>5</b> 6	. 85	yellow orange	20	15
	91	Just ripe	13	<b>36</b>	1.25	orange	70	34
	16	ripe	20	<b>16</b>	1.60	red orange	<b>8</b>	52
	17.5	i pe		16	1.95	red	06	72
	18,5	very over ripe		: 	2.20	red	100	28

Appendix 4 Pisifera: Percentage Free Fatty Acid from Fruit Bunches at Different Degrees of Ripeness Data Collected from Nigerian Institute for Oil Palm Research (NIFOR)

Bunch Code (CO)	Bunch Weight (K)	% Detached Fruits (Z)	FFA (Y)	Bunch Color (BC)	% Ripe Color (X)
0	14	0	.60	Green	0
1	14.5	6	.70	Yellow Green	35
2	16	12.5	. 82	Yellow Orange	50
3	17	32	1.2	Orange	70
4	17	56	1.5	Red Orange	90
5	16.5	75	1.9	Red	95
6	17.5	88	2.15	Red	100

Appendix 5 Dura: Percentage Free Fatty Acid from Fruit Bunches at Different Degrees of Ripeness Data Collected from Nigerian Institute for Oil Palm Research (NIFOR)

Bunch Code (CO)	Bunch Weight (K)	<pre>% Detached Fruits (Z)</pre>	% FFA (Y)	Bunch Color (BC)
0	10	0	. 37	Black
1	14	9.5	.73	Black
2	14	16	1.06	Black
3	14.5	30	1.30	Black (shiny)
4	12	45	1.65	Black (shiny)
5	15	<b>75</b>	2.05	Black (shiny)
6	16	94	2.30	Black (shiny)

Appendix 6 Mean Bunch Weight (kg) and Corresponding
Age for Different Varieties - Dura, Tenera,
and Pisifera on an Inland Loan Soil

Age	Dura Weight	Tenera Weight	Pisifera Weight
2-3	••	4.05	4.65
3-4	5.18	5.10	5.63
4-5	6.53	6.01	5.77
5-6	6.76	7.52	7.50
6-7	8.71	9.19	9.20
7-8	10.36	10.81	11.49
8-9	11.71	11.26	11.89
9-10	12.69	NA	11.49
10-11	13.36	NA	14.08
Mean Weight	9.41	7.71	9.07
Variance		7.92	11.18
Standard Deviatio		2.81	3.34
Coeffici Variatio		36%	37%

Source: Cowan Estate, Ajagbodudu, Bendel State.

Appendix 7 Mean Bunch Weight (kg) and Age of Palm for Tenera, Pisifera and Dura

#### Linear Regression Analysis

Tenera

Y = A + B\*X

Intercept, A = -5.785656E-02Slope, B = 1.293929

Source	Sum of Sq.	Deg. Freedo	m Mean Sq.
Regression	46.87901	1	46.87901
Residual	.6575241	5	.1315048
Total	47.53653	6	

F= 356.4813

Coeff. of Determination = .98 Coeff. of Correlation = .99

· Standard Error of Estimate = .3626359

Linear Regression Analysis

Pisifera Y = A + B\*X

Intercept, A = .7326107
Slope, B = 1.192167

Source	Sum of Sq.	Deg. Freedon	m Mean Sq.
Regression	85.27579	1	85.27579
Residual	4.230744	· <b>7</b>	.604392
Total	89.50653	8	

F= 141.0935

Coeff. of Determination = .95
Coeff. of Correlation = .97

Standard Error of Estimate = .7774265

Linear Regression Analysis

Dura Y - A + B\*X

Intercept, A = 7.678604E-02

Slope, B = 1.244762

 Source
 Sum of Sq.
 Deg. Freedom
 Mean Sq.

 Regression
 65.07619
 1
 65.07619

 Residual
 1.177048
 6
 .1961746

F = 331.7258

Coeff. of Determination = .98 Coeff. of Correlation = .99

Standard Error of Estimate = .4429161

Appendix 8 Tenera: Simulated Harvest Compositions with Associated Percentage Detached Fruit, Percentage Free Fatty Acid and Percentage Oil Content and Revenue (N/kg)

Harvest Composition	<pre>% Detached Fruit</pre>	% FFA Content	% Oil Content	Fevenue (M/kg)
0:100:0	30	1.16	49.49	0.0348
5:95:0	29	1.14	49.36	0.0853
10:90:0	28	1.12	49.23	0.0853
15:85:0	27	1.10	49.10	0.0858
20:80:0	26	1.09	48.97	0.0858
25:75:0	25	1.07	48.84	0.0862
30:70:0	24	1.05	48.71	0.0863
35:65:0	23	1.03	48.58	0.0866
40:60:0	22	1.01	48.45	0.0868
50:50:0	20	.98	48.19	0.0872
0:95:5	30	1.17	49.58	0.0850
0:90:10	31.5	1.19	49.68	0.0847
0:85:15	32.2	1.20	49.78	0.0846
0:80:20	33	1.22	49.88	0.0844
0:75:25	33.7	1.23	49.97	0.0842
0:70:30	34	1.24	50.08	0.0841
0:65:35	35.2	1.26	50.17	0.0839
0:60:40	36	1.27	50.27	0.0838
0:55:45	36.7	1.28	50.36	0.0836
0:50:50	37.5	1.30	50.46	0.0834
25:50:25	28.7	1.14	49.32	0.0853
20:60:20	29	1.14	49.36	0.0853
15:70:15	29.2	1.15	49.39	0.0838
10:80:10	29.5	1.15	49.42	0.0838
5:90:5	29.7	1.16	49.45	0.0851
5:85:10	30.5	1.17	49.55	0.0850
15:75:10	28.5	1.13	49.29	0.0854
5:80:15	31.2	1.18	49.65	0.0848
20:40:40	32	1.20	49.75	0.0846 0.0862
40:40:20	25	1.07	48.84	
20:70:10	27.5	1.11	49.16	0.0857
10:85:5	28.7	1.14	49.32	0.0853
50:25:25	23.7	1.05	48.67	0.0863
25:25:50	32.5	1.21	49.81	0.0845
60:10:30	22.5	1.02	48.51	0.0868
30:10:60	33	1.20	49.88	0.0846
10:75:15	30.2	1.16	49.49	0.0848

Appendix 9 Pisifera: Simulated Harvest Compositions with Associated Percentage Detached Fruit, Percentage Free Fatty Acid and Percentage Oil Content

Harvest Composition	<pre>% Detached Fruit</pre>	% FFA Content	% Oil Content	
				<del></del>
0:100:0	30	1.12	49.49	
5:95:0	29	1.10	49.36	
10:90:0	28	1.08	49.23	
15:85:0	27	1.06	49.10	
20:80:0	26	1.05	48.97	
25:75:0	25	1.03	48.84	٠
30:70:0	24	1.01	48.71	
35:65:0	23	.99	48.58	
40:60:0 50:50:0	22	.98	48.45	
0:95:5	20 30.7	.94	48.19	
0:90:10	31.5	1.13 1.14	49.58 49.68	
0:85:15	32.2	1.15	49.78	
0:80:20	33	1.17	49.88	
0:75:25	33.7	1.18	49.97	
0:70:30	34.5	1.19	50.07	
0:65:35	35.2	1.21	50.17	
0:60:40	36	1.22	50.27	
0:55:45	36.7	1.23	50.36	
0:50:50	37.5	1.24	50.46	
25:50:25	28.7	1.09	49.32	
20:60:20	29	1.10	49.36	
15:70:15	29.2	1.10	49.39	
10:80:10	29.5	1.11	49.42	
5:90:5	29.7	1.11	49.45	
5:85:10 15:75:10	30.5	1.12	49.55	
5:80:15	28.5 31.2	1.09	49.29	
10:60:30	32.5	1.14 1.16	49.65	
20:40:40	32.3	1.15	49.81 49.75	
40:40:20	25	1.03	48.84	
30:60:10	25.5	1.04	48.90	
20:70:10	27.5	1.07	49.16	
10:85:5	28.7	1.09	49.32	
50:25:25	23.7	1.01	48.67	
25:25:50	32.5	1.16	49.81	
60:10:30	22.5	.99	48.51	
30:10:60	33	1.17	49.88	
10:75:15	30.2	1.12	49.52	

Appendix 10 Dura: Simulated Harvest Compositions with Associated Percentage Detached Fruit, Percentage Free Fatty Acid and Percentage Oil Content

Harvest Composition	<pre>% Detached Fruit</pre>	% FFA Content	% Oil Content	
•				·
0:100:0	30	1.18	49.49	
5:95:0	29	1.16	49.36	
10:90:0	28	1.14	49.23	
15:85:0	27	1.12	49.10	
20:80:0	26	1.10	48.97	
25:75:0	25	1.08	48.84	
30:70:0	24	1.06	48.71	
35:65:0	23	1.04	48.58	
40:60:0	22	1.02	48.45	
50:50:0	20	.98	48.19	
0:95:5	30.7	1.19	49,58	
0:90:10	31.5	1.21	49.68	
0:85:15	32.2	1.22	49.78	•
0:80:20	33	1.24	49.88	
0:75:25	33.7	1.25	49.97	
0:70:30	34.5	1.27	50.07	
0:65:35	35.2	1.28	50.17	
0:60:40	36	1.29	50.27	
0:55:45	• 36.7	1.31	50.36	
0:50:50	37.5	1.32	50.46	
25:50:25	28.7	1.15	49.32	
20:60:20	29	1.16	49.36	
15:70:15	29.2	1.16	49.39	
10:80:10	29.5	1.17	49.42	
5:90:5	29.7	1.17	49.45	
15:75:10	28.5	1.15	49.29	
5:80:15	31.2	1.20	49.65	
10:60:30	32.5	1.23	49.81	
20:40:40	32	1.22	49.75	
40:40:20	25	1.08	48.84	
30:60:10	25.5	1.09	48.90	
20:70:10	27.5	1.13	49.16	
10:85:5	28.7	1.15	49.32	
50:25:25	23.7 .	1.06	48.67	
25:25:50	32.5	1.23	49.81	
60:10:30	22.5	1.03	48.51	
10:75:15	30.2	1.18	49.52	

Appendix 11 A Sample of a Monthly Report Sheet on a Fresh Fruit Bunch Analysis

	Est	ate:			Mont	: <b>h :</b> . : : . : . : ; :	Year:
Day	& UR	e RF	8VR	Bruised	Diseased Bunches	Rotten Bunches	Satisfactory FFB%
1 2 3 4 5 6 7 8 9 10 11 2 13 14 15 16 17 18 19 20 21 22 22 22 22 23 23 23 24 25 26 27 27 27 27 27 27 27 27 27 27 27 27 27							

UR = Unripe Fruit, FR = Ripe Fruit, VR = Very Ripe Fruit,
FFB = Fresh Fruit Bunches

Appendix 12 A Sample Sheet for Recording the Quality of Fruit Delivered to a Mill

Estate:	Farme	er's Name	So	urce:
Lorry/	Date	Field	Date &	Date & Time at Factory
Tractor No.	Harvested	Number	Ex-Estate	

#### Fruit Bunch Information:

- (a) Variety
- (b) No. of detached fruits before cutting the bunch

No. of detached fruits after cutting the bunch

Total No. of detached fruits/weight in kg =

(c) Bunch weight in kilograms =

(d) Bunch Conditions: Bruised

Unbruised

Diseased

No. of bunches

Rotten

No. of bunches

(e) Height of tree (measured from the crown) ft:

Age (yrs.)

(f) Estimate of time delay (in days)

Remarks:

Appendix 13 Pisifera: Simulated Fresh Fruit Bunches at Mill Reception

Samp	ole #1	Bunch #	2	3	4	5 .
1.	Detached Fruit: (Wt. or Number)	1 (W)	2 (W)	4 (W)	6 (W)	8 (W)
2.	Wt. of Bunch (kg	•	18	18	18	18
3.	Time Delay in Days	0	0	0	0	0
4.	Condition of Bunch	(U)	(U)	(U)	(U)	(U)
5.	Age of Palm	16	16	16	16	16
(a)	Degree of Ripeness	Unripe	Under Ripe	Just Ripe	Ripe	Over Ripe
(b)	% FFA	.75	.91	1.22	1.53	1.84
(c)	Probable Color	Yellow Green or 50% Ripe Color	Yellow Orange or 50% Ripe Color	Orange or 70% Ripe Color	Red Orange or 70% Ripe Color	
(d)	Std. Premium	0	0	N .006	₩ .003	0
(e)	Subtotal	N .18	N .72	1.45	N1.41	₩ .72
(f)	Extra Amt. Due Premium			N .10	₩ .06	·

<sup>(</sup>g) Total Amount Due Farmer N4.48

<sup>(</sup>h) Quantity Premium 0

<sup>(</sup>i) Harvest Composition 40:40:20

<sup>(</sup>j) Oil Per Mesocarp 48.84: Overall % FFA = 1.03%

<sup>(</sup>k) Loss Due to Unripe Harvest: \\144/Acre or \\360/ha.

<sup>(1)</sup> Loss Due to Over Ripe Harvest:

<sup>(</sup>m) Grand Total Amount Due Farmer: N4.48

### Appendix 13 (cont'd.)

Samp	<b>le #2</b>	Bunch #	2	3	4	5
1.	Detached Fruit: (Wt. or Number)	2 (W)	4 (W)	6 (W)	8 (W)	10 (W)
2.	Wt. of Bunch (kg	g) 20	20	20	20	20
3.	Time Delay in Days	2	2	2	2	2
4.	Condition of Bunch	(U)	(M)	(S)	(V)	(X)
5.	Age of Palm	19	19	19	19	19
(a)	Degree of Ripeness	Under Ripe	Just Ripe	Ripe	Over Ripe	Very Over Ripe
(b)	% FFA	1.35	1.89	2.23	2.57	2.
(c)	Probable Color	Yellow Orange or 50% Ripe Color	Orange or 70% Ripe Color	Red Orange or 70% Ripe Color	Red or 95% Ripe Color	Red or 100% Ripe Color
(d)	Std. Premium	0	₩ .0008	-N.001	-¥.002	-N.0009
(e)	Subtotal	N .8	N1.51	<b>¥1.4</b> 6	₩ .75	N .18
(f)	Extra Amt. Due Premium		N .01	-N.03	-N.04	-N.01

<sup>(</sup>g) Total Amount Due Farmer №4.70

<sup>(</sup>h) Quantity Premium ₩.60

<sup>(</sup>i) Harvest Composition 20:40:40

<sup>(</sup>j) Oil Per Mesocarp 49.75: Overall & FFA = 1.15%

<sup>(</sup>k) Loss Due to Unripe Harvest:

<sup>(1)</sup> Loss Due to Over Ripe Harvest: %2.15/Acre or %5.39/ha.

<sup>(</sup>m) Grand Total Amount Due Farmer: N5.30

# Appendix 13 (cont'd.)

Samp	ole #3	Bunch #	2 2	3	4	5
		· : : · : · : · · · · · · · · · · · · ·	- · · · · · · · · · · · · · · · · · · ·		<del></del>	<del></del>
1.	Detached Fruit: (Wt. or Number)	3 (W)	4 (W)	6 (W)	8 (W)	10 (W)
2.	Wt. of Bunch (kg	g) 18 ·	18	18	18	18
3.	Time Delay in Days	1	1	1	1	1
4.	Condition of Bunch	(U)	(M)	(S)	(V)	(X)
5.	Age of Palm	15	15	15	15	15
(a)	Degree of Ripeness	Just Ripe	Just Ripe	Ripe	Over Ripe	Very Over Ripe
(b)	% FFA	1.18	1.66	2.01	2.37	2.72
(c)	Probable Color	Orange or 70% Ripe Color	Orange or 70% Ripe Color			Red or 100% Ripe Color
(d)	Std. Premium	N.006	₩.002	-N.0001	-N.001	-₩ .0007
(e)	Subtotal	N1.46	1.39	1.34	N.69	<b>N.</b> 16
(f)	Extra Amt. Due Premium	N .11	N.04	₩.002	-N.02	-N.01

<sup>(</sup>g) Total Amount Due Farmer N5.04

<sup>(</sup>h) Quantity Premium №.54

<sup>(</sup>i) Harvest Composition 0:60:40

<sup>(</sup>j) Oil Per Mesocarp 50.27: Overall % FFA = 1.22

<sup>(</sup>k) Loss Due to Unripe Harvest:

<sup>(1)</sup> Loss Due to Over Ripe Harvest: N2.69/ha if 5 tons were harvested

<sup>(</sup>m) Grand Total Amount Due Farmer: N5.53

Appendix 13 (cont.'d.)

Samp	le #4	Bunch #	2	· 3	4	<b>5</b> ·	6
1.	Detached Fruit: (Wt. or Number)	2 (W)	3 (W)	4 (W)	6 (W)	8 (W)	10 (W)
2.	Wt. of Bunch (kg	) 22	22	22	22	22	22
3.	Time Delay in Days	2	2	2	2	2	2
4.	Condition of Bunch	(U)	(M)	(S)	(S)	(S)	V)
5.	Age of Palm	24	24	24	24	24	24
(a)	Degree of Ripeness	Under Ripe	Just Ripe	Just Ripe	Ripe	Ripe	Over Ripe
(b)	* FFA	1, 34	1.80	2.06	2.19	2.32	2.64
(c)	Probable Color	Yellow Orange or 50% Ripe Color	Orange or 70% Ripe Color	Orange or 70% Ripe Color	Red Orange or 70% Ripe Color		Red or 95% Ripe Color
(d)	Std. Premium	0	M .002	-N.000	-M.002	-W.00	-W.002
(e)	Subtotal	N.88	W1.68	N1.63	W1.61	N1.59	W .83
(f)	Extra Amt. Due Premium		N .03	-N.01	-W.03	- <b>W</b> .06	- <b>W</b> .04

<sup>(</sup>g) Total Amount Due Farmer #8.22

<sup>(</sup>h) Quantity Premium W1.32

<sup>(</sup>i) Harvest Composition 16:67:17

<sup>(</sup>j) Oil Per Mesocarp 49.41: Overall % FFA = 1.10 ...

<sup>(</sup>k) Loss Due to Chripe Harvest: N144/Acre

<sup>(1)</sup> Loss Due to Over Ripe Harvest: N2.15/Acre

<sup>(</sup>m) Grand Total Amount Due Farmer: #9.54

#### Appendix 13 (cont'd.)

Samp	ole #5	Bunch #	<b>2</b>	<b>3</b>	4	5
1.	Detached Fruit: (Wt. or Number)	2 (W)	4 (W)	8 (W)	8 (W)	10 (W)
2.	Wt. of Bunch (kg	) 20	20	20	20	20
3.	Time Delay in Days	0	. 0	0	0	0
4.	Condition of Bunch	(U)	(U)	(U)	(M)	(U)
5.	Age of Palm	19	19 .	19	19	19
(a)	Degree of Ripeness	Under Ripe	Just Ripe	Over Ripe	Over Ripe	Very Over Ripe
(b)	% FFA	. 88	1.15	1.71	1.71	1.99
(c)	Probable Color	Yellow Orange or 50% Ripe Color	Orange or 70% Ripe Color	Red or 90% Ripe Color	Red or 90% Ripe Color	Red or 100% Ripe Color
(d)	Std. Premium	Ø	N .006	0	0	ø
(e)	Subtotal	₩ .8	N1.63	N .8	₩ .8	₩ .2
(f)	Extra Amt. Due Premium		N .13			

<sup>(</sup>g) Total Amount Due Farmer N4.23

<sup>(</sup>h) Quantity Premium N.3

<sup>(</sup>i) Harvest Composition 20:20:60

<sup>(</sup>j) Oil Per Mesocarp 50.14: Overall % FFA 1.20

<sup>(</sup>k) Loss Due to Unripe Harvest:

<sup>(1)</sup> Loss Due to Over Ripe Harvest: #2.15/Acre or #5.39/ha.

<sup>(</sup>m) Grand Total Amount Due Farmer: N4.53

Appendix 14 Dura: Simulated Fresh Fruit Bunches at Mill Reception

Samp	ole #1	Bunch #	2	3	4	5
			aranna (e)			
1.	Detached Fruit: (Wt. or Number)	1 (W)	2 (W)	4 (W)	6 (W)	8 (W)
2.	Wt. of Bunch (kg)	18	18	18	18	18
3.	Time Delay in Days	0	0	0	0	0
4.	Condition of Bunch	(U)	(M)	(S)	(V)	(V)
5.	Age of Palm	16	16	16	16	16
(a)	Degree of Ripeness	Unripe	Under Ripe	Just Ripe	Ripe	Over Ripe
(b)	% FFA	. 76	1.33	1.86	2.40	2.73
(c)	Probable Color	Black	Black	Shiny Black	Shiny Black	Shiny Black
(d)	Std. Premium	ø	ø	N .001	- <b>N.</b> 003	-N.003
(e)	Subtotal	.18	.72	N1.36	N1.29	₩ .66
(f)	Extra Amt. Due Premium			N .01	-N.05	-N.05

<sup>(</sup>g) Total Amount Due Farmer #4.21

<sup>(</sup>h) Quantity Premium Ø

<sup>(</sup>i) Harvest Composition 40:40:20

<sup>(</sup>j) Oil Per Mesocarp 48.84: Overall % FFA W1.08

<sup>(</sup>k) Loss Due to Unripe Harvest: %144/Acre

<sup>(1)</sup> Loss Due to Over Ripe Harvest:

<sup>(</sup>m) Grand Total Amount Due Farmer: N4.21

# Appendix 14 (Cont'd.)

Samp	le #2	Bunch #	2	3	4	5
					:	
1.	Detached Fruit: (Wt. or Number)	2 (W)	4 (W)	6 (W)	8 (W)	10 (W)
2.	Wt. of Bunch (kg)	20	20	20	20	20
3.	Time Delay in Days	2	2	2	2	2
4.	Condition of Bunch	(U)	(M)	(S)	(V)	(X)
5.	Age of Palm	19	19	19	19	19
(a)	Degree of Ripeness	Under Ripe	Just Ripe	Ripe	Over Ripe	Over Ripe
(b)	% FFA	1.46	2.01	2.36	2.71	3.06
(c)	Probable Color	Black	Shiny Black	Shiny Black	Shiny Black	Shiny Black
(d)	Std. Premium	Ø	-M.0001	-N.002	-N.002	-N.004
(e)	Subtotal	. 8	1.49	1.44	N. 74	.71
.(f)	Extra Amt. Due Premium		-N.002	-พ.05	- <b>N.</b> 05	-N. 08

<sup>(</sup>g) Total Amount Due Farmer #5.18

<sup>(</sup>h) Quantity Premium ₩.6

<sup>(</sup>i) Harvest Composition 20:40:40

<sup>(</sup>j) Oil Per Mesocarp 49.75: Overall % FFA 1.22

<sup>(</sup>k) Loss Due to Unripe Harvest:

<sup>(1)</sup> Loss Due to Over Ripe Harvest: N2.15

<sup>(</sup>m) Grand Total Amount Due Farmer: N5.78

# Appendix 14 (cont'd.)

Samp	ole #3 ·	Bunch #	2	3	4	5
1.	Detached Fruit: (Wt. or Number)	3 (W)	4 (W)	6 (W)	8 (W)	10 (W)
2.	Wt. of Bunch (kg	g) 18	18	18	18	18
3.	Time Delay in Days	1	1	1	1	1
4.	Condition of Bunch	(U)	(M)	(S)	(V)	(x)
5.	Age of Palm	15	15	15	15	15
(a)	Degree of Ripeness	Just Ripe	Just Ripe	Ripe	Over Ripe	Very Over Ripe
(b)	% FFA	1.24	1.72	2.09	2.45	2.82
(c)	Probable Color	Shiny Black	Shiny Black	Shiny Black	Shiny Black	Shiny Black
(d)	Std. Premium	N .005	N .002	-N 10007	-N.001	-N.0008
(e)	Subtotal	N1.45	<b>N1.</b> 38	N1.33	N .68	N .16
(f)	Extra Amt. Due Premium	N .10	N .03	-N.01	-N.03	-N.01

<sup>(</sup>g) Total Amount Due Farmer N5.00

<sup>(</sup>h) Quantity Premium N.54

<sup>(</sup>i) Harvest Composition 0:60:40

<sup>(</sup>j) Oil Per Mesocarp 50.27: Overall % FFA 1.29

<sup>(</sup>k) Loss Due to Unripe Harvest:

<sup>(1)</sup> Loss Due to Over Ripe Harvest: #2.15/Acre or #5.39/ha.

<sup>(</sup>m) Grand Total Amount Due Farmer: \$5.54

Appendix 14 (cont'd.)

Samp	ole #4	Bunch #	2	3	4	5
			1.1			
1.	Detached Fruit: (Wt. or Number)	2 (W)	3 (W)	4 (W)	6 (W)	8 (W)
2.	Wt. of Bunch (kg	) 22	22	22	22	22
3.	Time Delay in Days	2	2	2	2	2
4.	Condition of Bunch	(U)	(M)	(S)	(S)	(S)
5.	Age of Palm	24	24	24	24	24
(a)	Degree of Ripeness	Under Ripe	Just Ripe	Just Ripe	Ripe	Ripe
(b)	% FFA	1.45	1.92	2.19	2.32	2.46
(c)	Probable Color	Black	Shiny Black	Shiny Black	Shiny Black	Shiny Black
(d)	Std. Premium	ø	₩ .0006	-N.001	-N.002	-N.003
(e)	Subtotal	N. 88	N1.66	N1.61	N1.59	¥1.57
(f)	Extra Amt. Due Premium		N .01	-N.03	-N.05	- <b>H.</b> 07

<sup>(</sup>g) Total Amount Due Farmer ¥7.31

<sup>(</sup>h) Quantity Premium ¥1.32

<sup>(</sup>i) Harvest Composition 20:80:0

<sup>(</sup>j) Oil Per Mesocarp 48.37: Overall % FFA = 1.105

<sup>(</sup>k) Loss Due to Unripe Harvest:

<sup>(1)</sup> Loss Due to Over Ripe Harvest:

<sup>(</sup>m) Grand Total Amount Due Farmer: \\ \mathbb{8}.63

Appendix 14 (cont'd.)

Samp	ole #5	Bunch # 1	2	3	4	5
1.	Detached Fruit: (Wt. or Number)	2 (W)	4 (W)	8 (W)	8 (W)	10 (W;
2.	Wt. of Bunch (kg	g) 20	20	20	20	20
3.	Time Delay in Days	0	0	0	0	0
4.	Condition of Bunch	(U)	(U)	(U)	(M)	(U)
5.	Age of Palm	19	19	19	19	19
(a)	Degree of Ripeness	Under Ripe	Just Ripe	Over Ripe	Over Ripe	Over Ripe
(b)	% FFA	.90	1.20	1.80	2.20	2.10
(c)	Probable Color	Black	Shiny Black	Shiny Black	Shiny Black	Shiny Black
(d)	Std. Premium	Ø	N .006	ø	-N.000	8-N.0004
(e)	Subtotal	N .8	N1.62	.8	₩ .78	₩ .79
(f)	Extra Amt. Due Premium		₩ .12		-N.01	-N.008

<sup>(</sup>g) Total Amount Due Farmer N4.79

<sup>(</sup>h) Quantity Premium ¥.3

<sup>(</sup>i) Harvest Composition 20:20:60

<sup>(</sup>j) Oil Per Mesocarp 50.14: Overall % FFA = 1.28

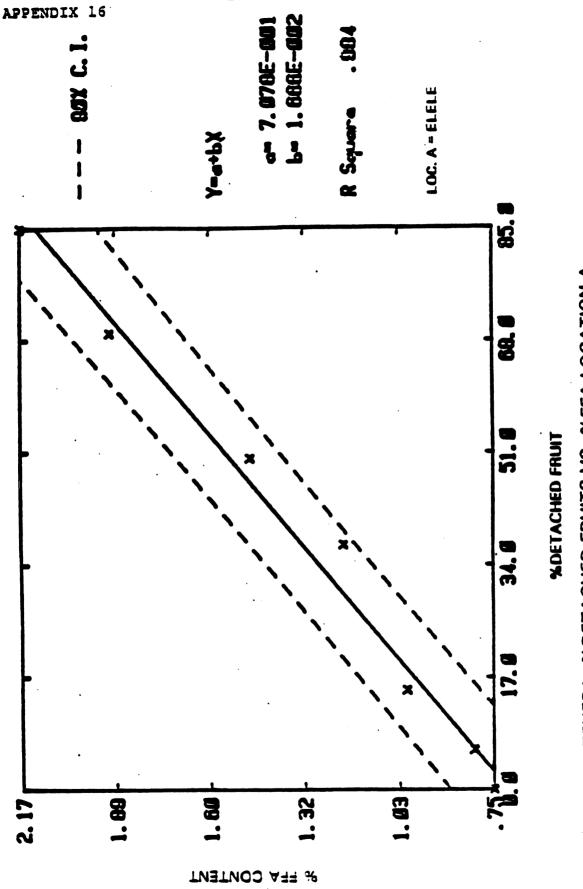
<sup>(</sup>k) Loss Due to Unripe Harvest:

<sup>(1)</sup> Loss Due to Over Ripe Harvest: N2.15/Acre or N5.39/ha.

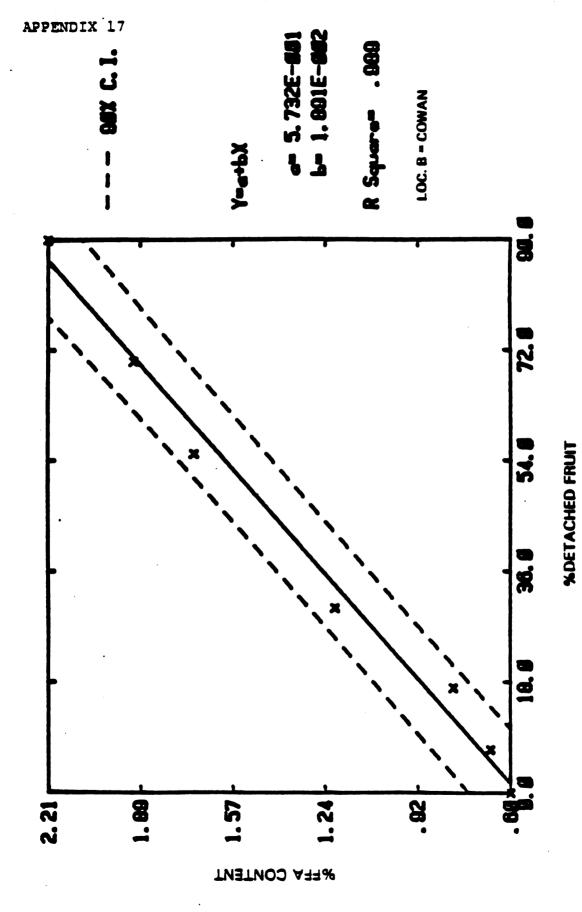
<sup>(</sup>m) Grand Total Amount Due Farmer: N5.09

			•		11010	10 00000	Kernel
V111690	Mumber of		Range of	Mesocarp	11902	Shell	
	Tenera	us laht (a)	(b)	(0)	3	(3)	3
A MOON OF	6.0	5	11.7-5.5	78.8	10.6	07-7	7.01
	,		12.1-3.6	<b>10</b> .3	7.2	- T - C	777
			14.0-5.2	1.1	7.8	3-17	11.1
	;			17.4	7.7	<b>5-</b>	-
	}	17.3	9.7.7.61		7.2	2-17	12.2
=	221		•	3		2-21	10.3
3	73	10.2	10.0-5.3	R. 10	•		5
Moevi	16	<b>9</b> .5	10.6-6.5		•	19.9	12.6
Azia	2 T	10.0	15.9-6.5	77.6	•	C7-F	
Pointfile	=	1,1	11.3-4.0	73.4	11.7	3-59	9.71
	: 5	13.3	10.2-6.6	9.0	3.7	11-1	•
2002	2 :		Q C = 9 7 1	82.8	7.1	3-24	3. S
	7	• •		78.	9.0	3-21	12.6
<b>Muokauna</b>	•	. 11. 3	1.7-8-91		7 71	8-22	11.4
#110	13	7.7	9.0-5.2			3-14.	7.6
mukele	6	10.9	17.2-5.8	7.7			יונ
Oktowe	<del>(</del> )	6	13.5-5.9	91.5	9./	B1_7	
(East)				•	•	61.7	16.2
Odwe	17	13.0	17.5-8.4	74.1		71-0	
Thie	27	11.7	20.0-8.4	74.0	12.1	67-/	N
Azumini		9	12.0-7.4	69.7	10.	4-25	• • • •
Opportunit	22	1.6		17.1	!	;	!
	:	:					
Anany Ot lo aton	171	•		75.2	7.6	1	15.4
DOLO ARPA	1		}	76.3	6.7	;	18.0
Opponent 1Koc	70		i i		4	:	9.5
Ekeparakwa	313	<b>.</b>	•			;	7.8
Olo Umuahia	97	12.6	1		•	ļ	10.4
Ikot Ekpene	100	6.6	!	6.19			-
Arochuku	36	₹.	:	93.0			•
Ikot Ekpika	901	6.2	;	<b>83.</b> 3		! !	
Iblaku	119	7.1	:	86.2		¦	10.
Opodo	104	7.0	;	71.3		1 1	
Ndiva	135	<b>9</b>	:	73.4	17.5	1	
Eket	98	6	1	73.5	1		9
Orono.	ננו			٠ د		!	•

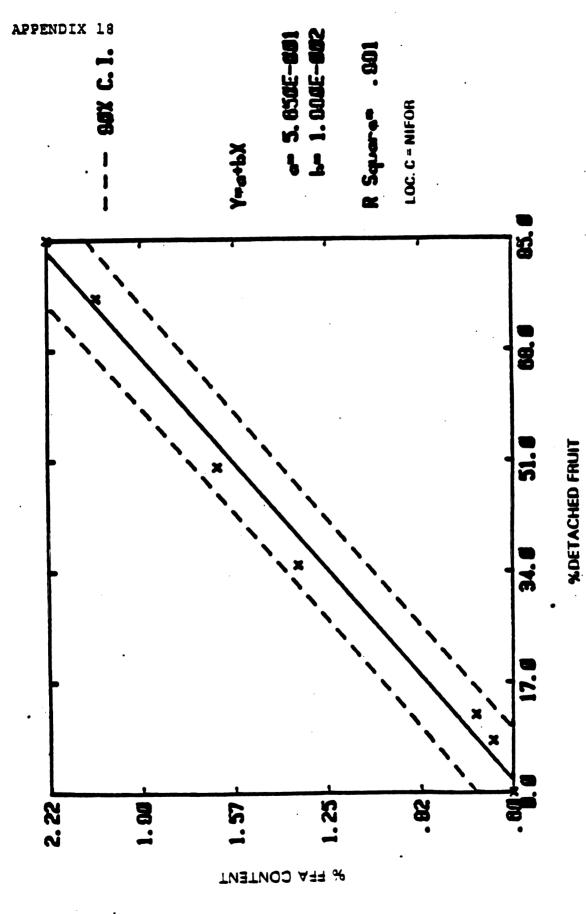




TENERA: %DETACHED FRUITS VS. %FFA LOCATION A

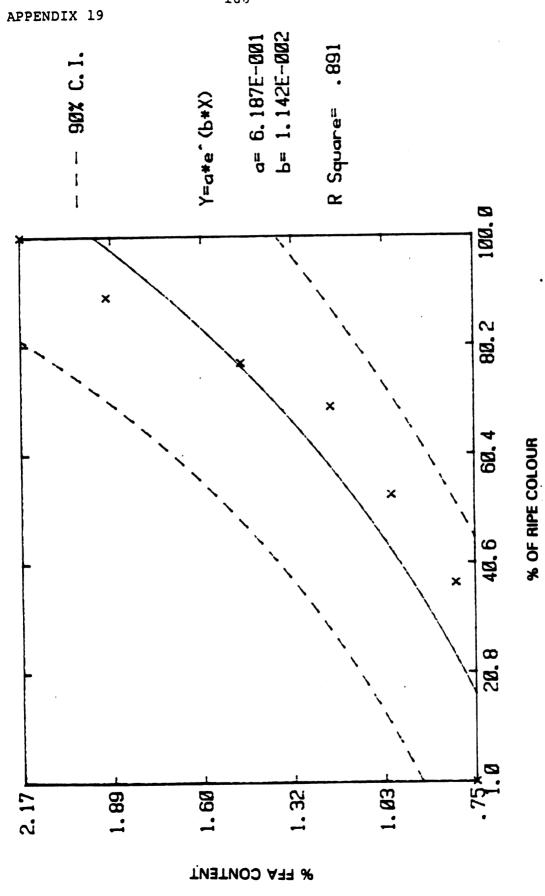


TENERA: %FFA VS. %DETACHED FRUIT LOCATION B



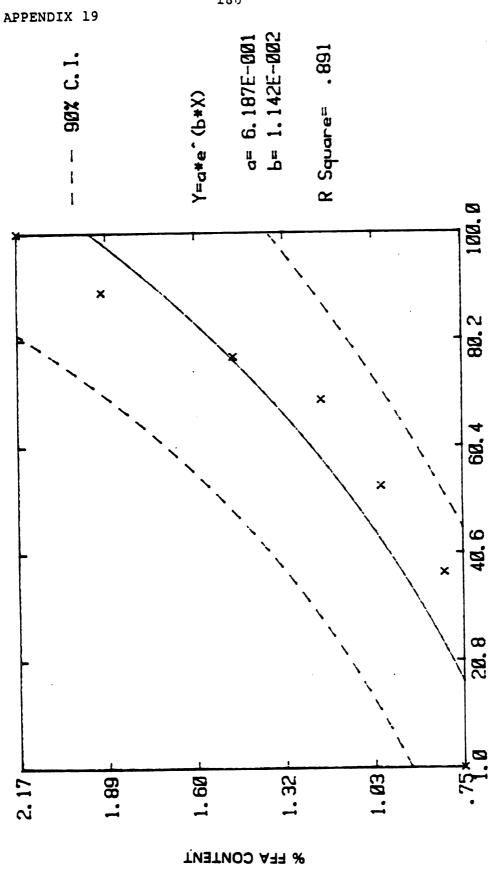
TENERA: %FFA VS. %DETACHED FRUIT LOCATION C





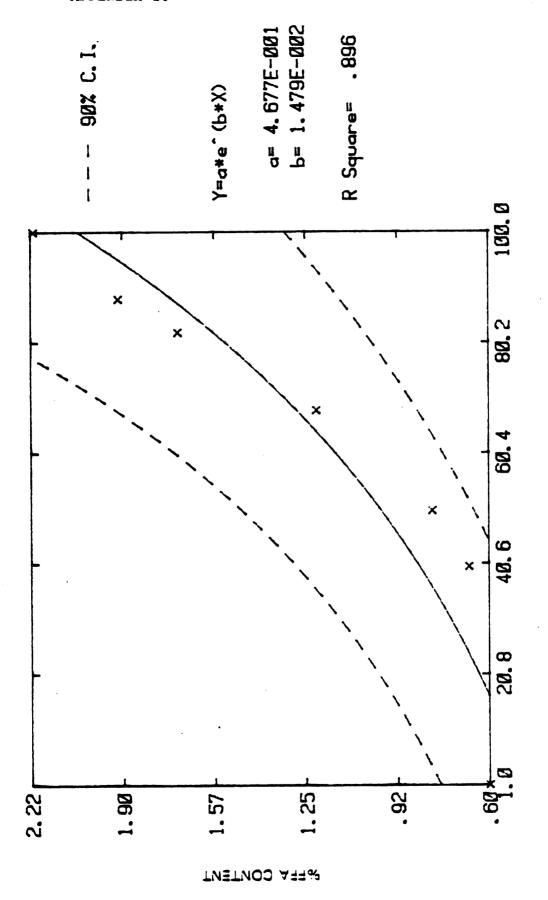
TENERA: %FFA VS %RIPE COLOUR LOCATION A





TENERA: %FFA VS %RIPE COLOUR LOCATION A

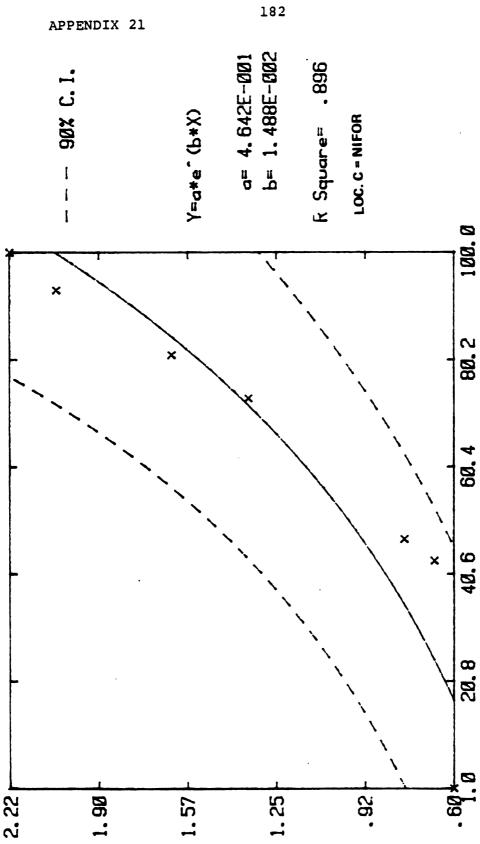
% OF RIPE COLOUR



TENERA: %FA VS %RIPE COLOR LOCATION B

KRIPE COLO R



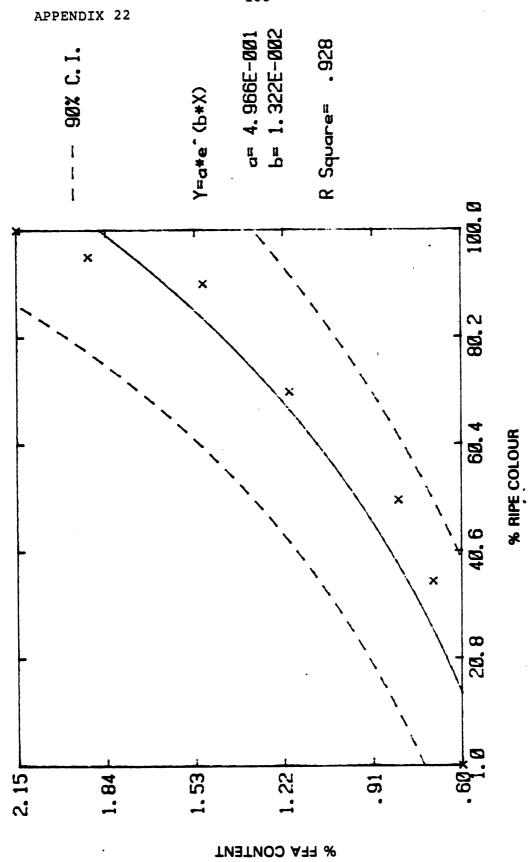


% FFA CONTENT

TENERA: %FFA VS %RIPE COLOUR LOCATION C

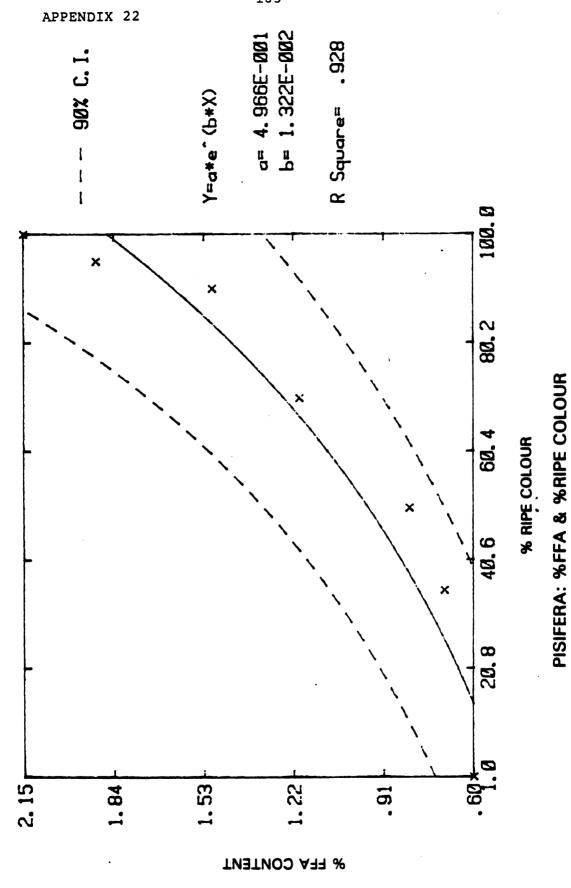
% RIPE COLOUR

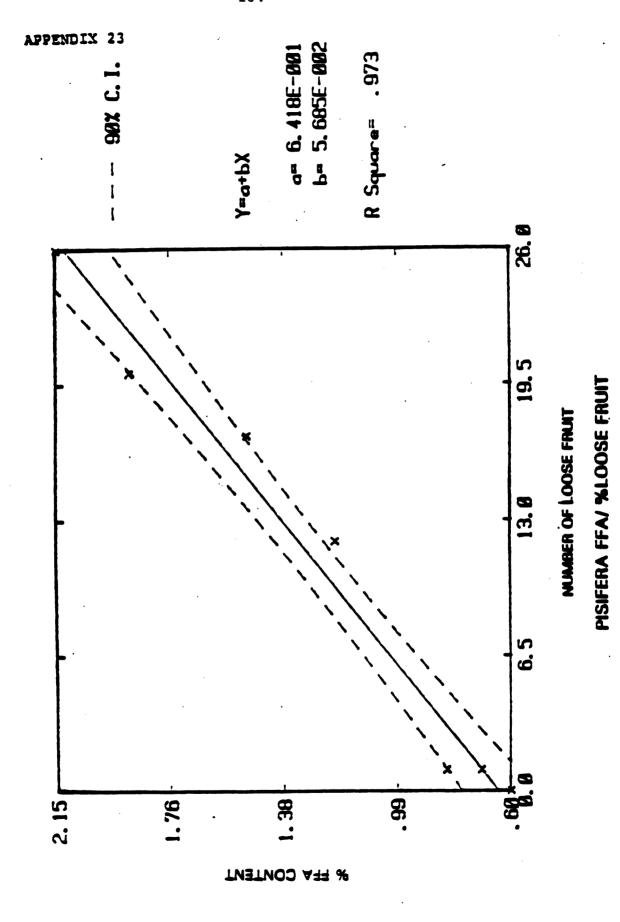




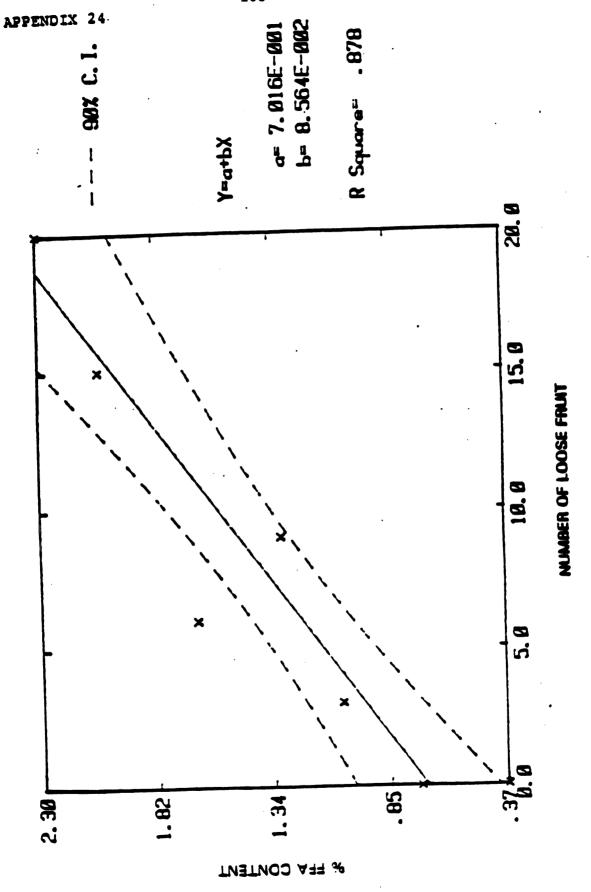
PISIFERA: %FFA & %RIPE COLOUR







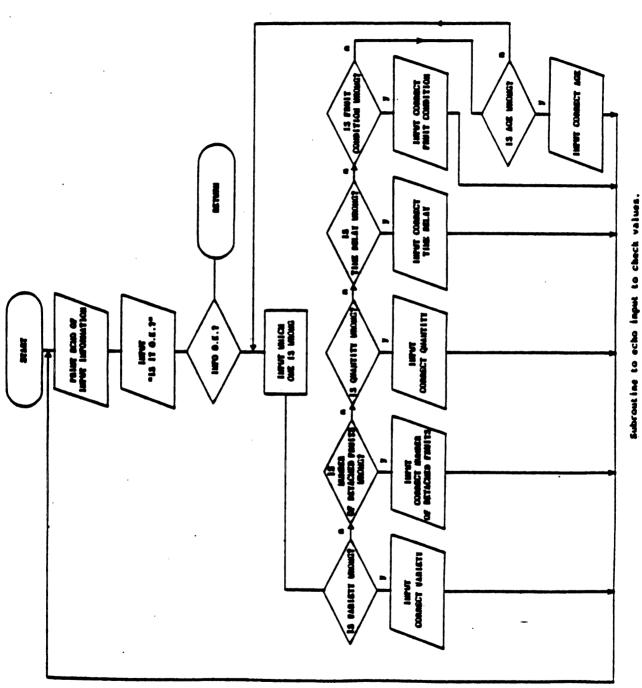


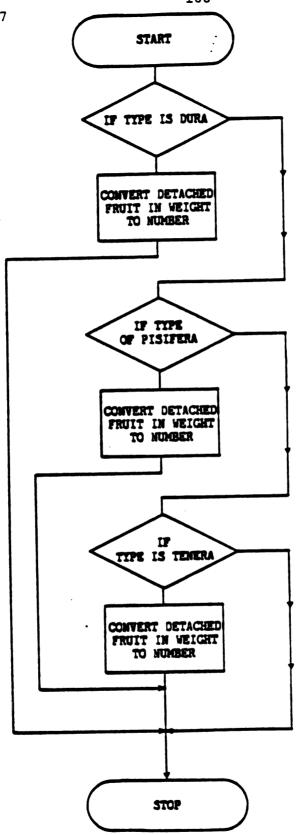


DURA FFA/ NO. OF LOOSE FRUIT

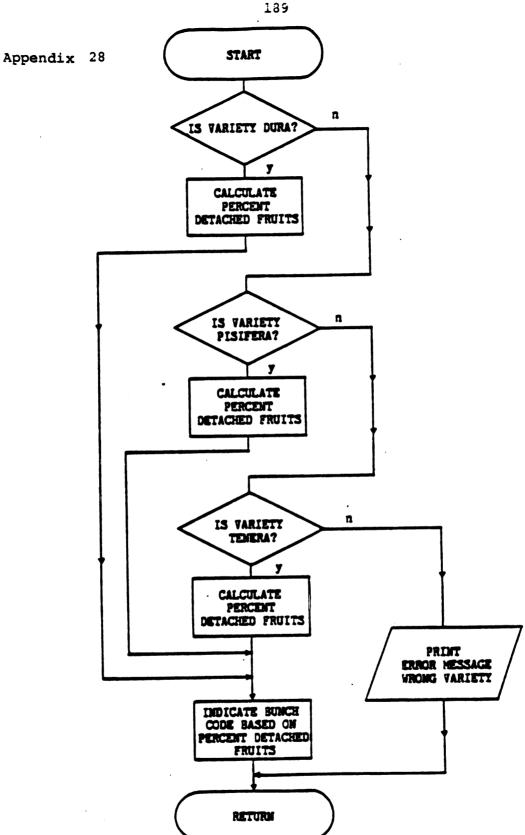
MEXT I

Subroutine to store data in arrays.

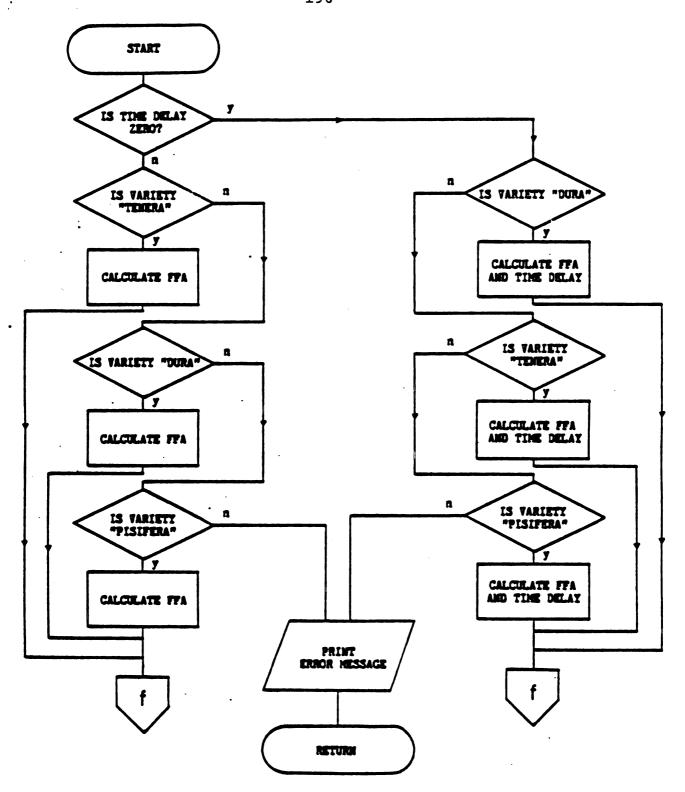


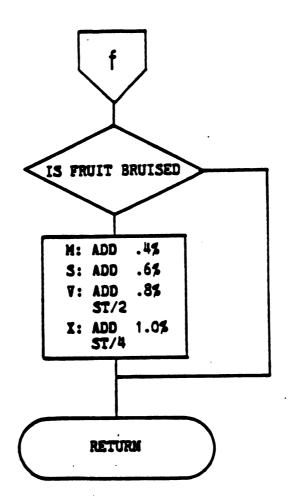


Subroutine to convert detached fruit in weight to number.



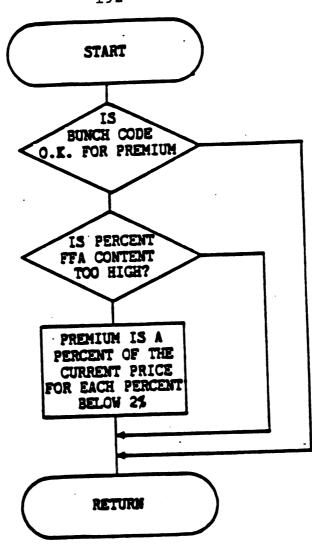
Subroutine to calculate percent detached fruit and indicate bunch code.



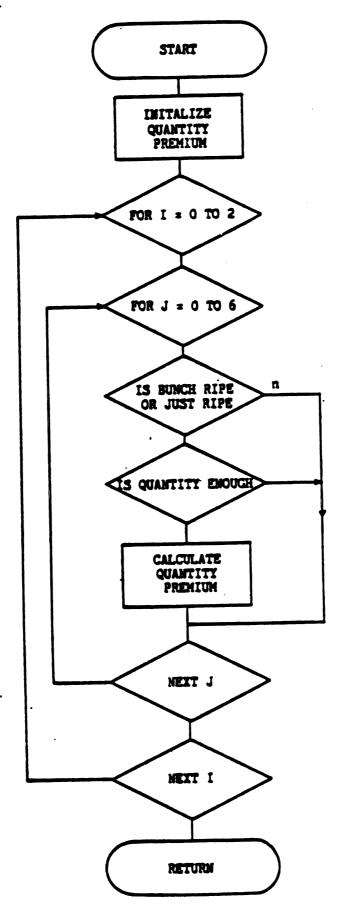


Subroutine to calculate fatty free acid.

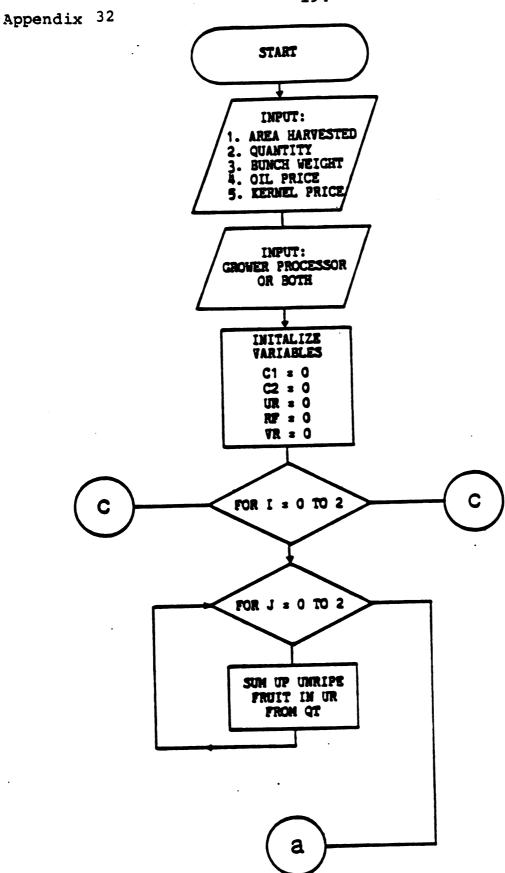
Appendix 30



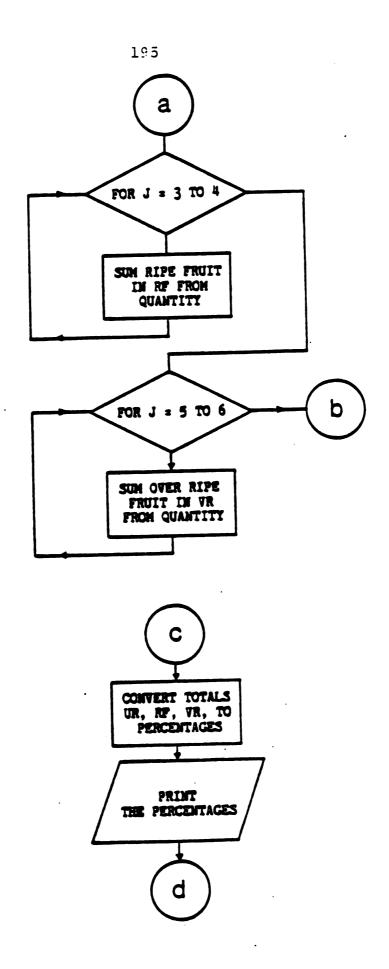
Subroutine to calculate standard premium.

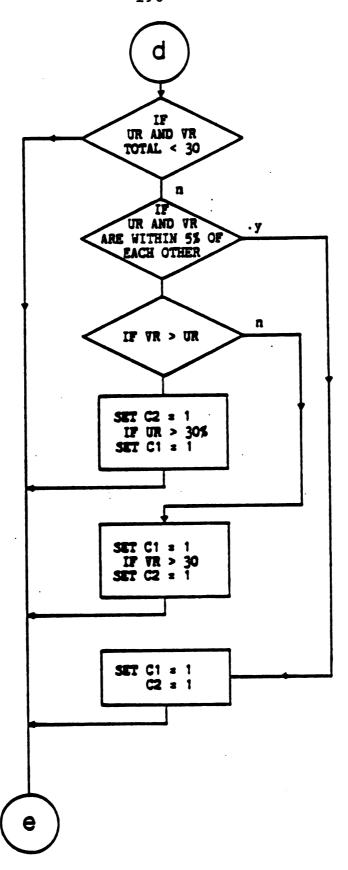


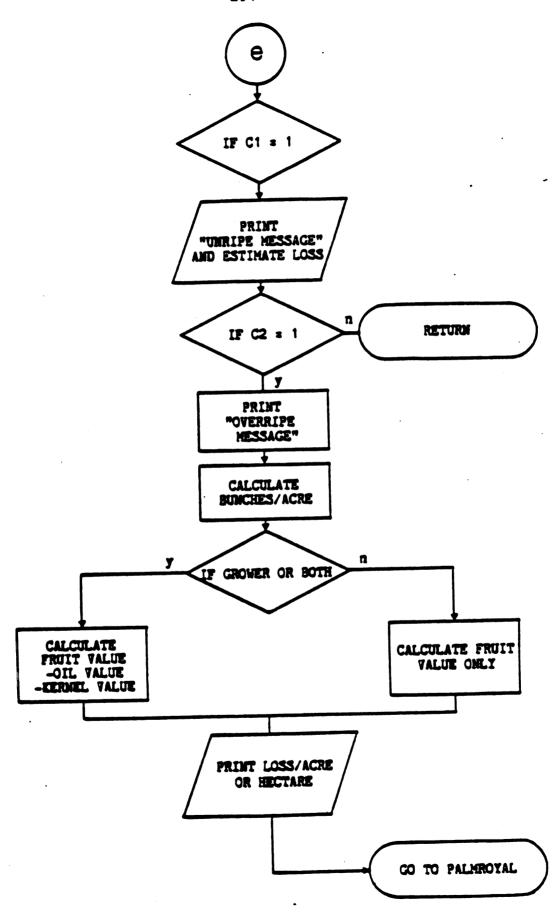
Subroutine to calculate quantity premium.

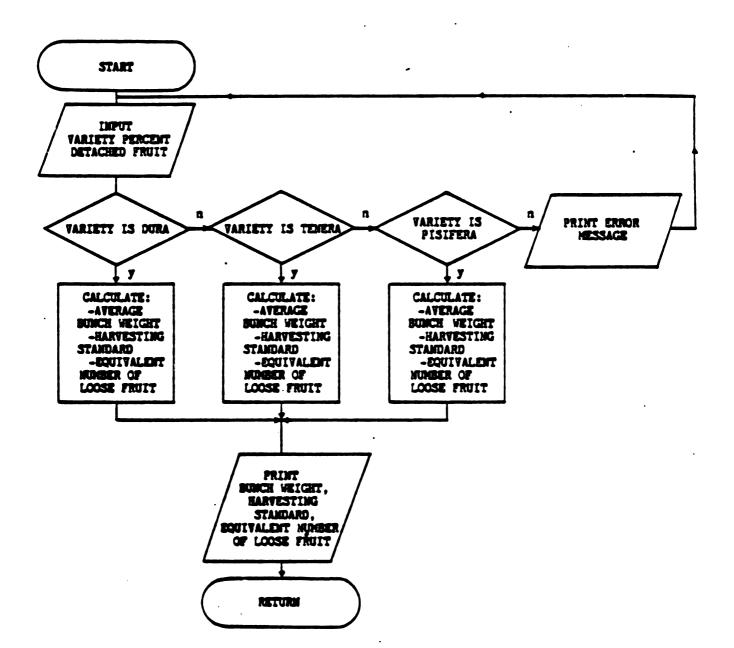


Subroutine for calculation of loss and harvest composition.

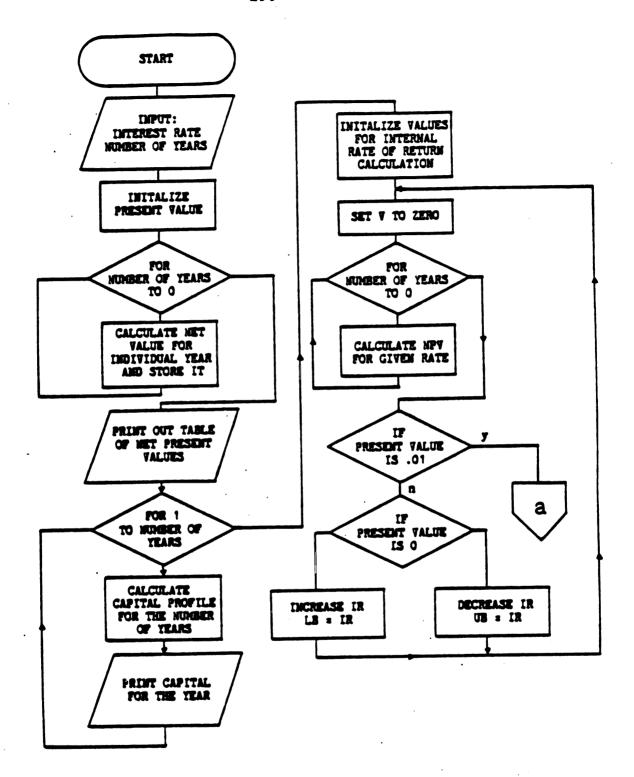


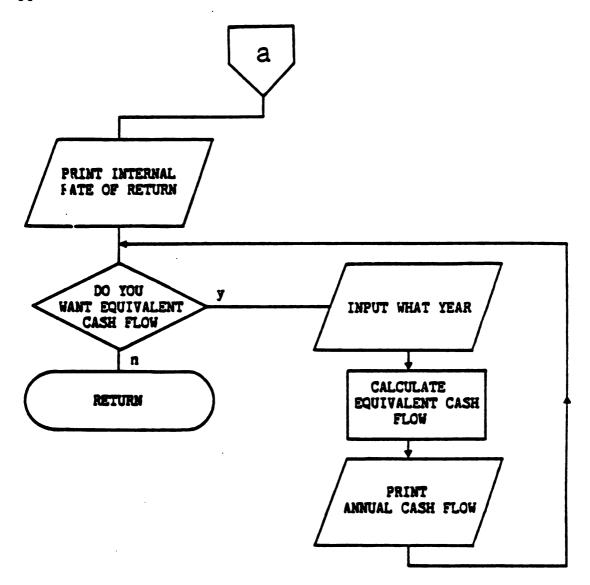






'Palmkey' subroutine to aid in adjustment of harvesting system.

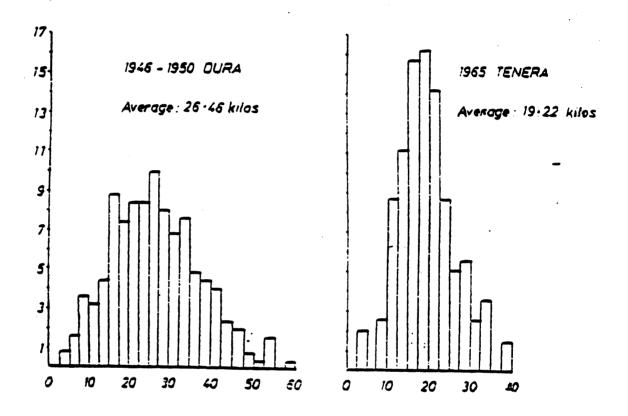




'PALMROYAL' subroutine for calculation of internal rate of return, and equivalent annual cash flow.

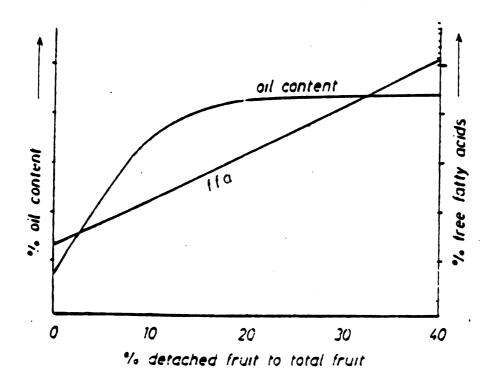
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Appendix 35



DISTRIBUTION OF SUNCHES BY WEIGHT IN MATURE DURA AND TENERA AREAS

Appendix 36



PROBABLE RELATIONSHIP BETWEEN OIL CONTENT AND OIL QUALITY AND PERCENTAGE DETACHED FRUIT.

(AFTER A. SOUTHWORTH 1973)

## Appendix 37

```
Oil Palm Quality Control
 ILIST
                             Program
    DIM TB(2.6.3)
    DIM PL(500.4)
 11
    DIM C5 (2.4)
 15 DIM GT(2.4)
 1 6
    DIM M(35), PV(35)
 18 REM DICITONARY OF VARIABLES
. 19
     REM
         A - VALUE OF OIL
 20
    REM
          AG - AGE OF PALM TREE
 2 1
    REM
        AR - AREA HARVESTED
 23 REM B
            -VALUE OF KERNAL
         BCS - BUNCH CODE NAME
 24 REM
          BW - INDIVIDUAL BUNCH UT
 2 5
    REM
 30
    REM C
             - FLAG VARIABLE
 40 REM C: - ARRAY OF COLOURS
 41
    REM D
             - BUNCHES PER ACRE
    REM DFS - DETACHED FRUIT (V OR N)
 4 2
    REM C1 - PRINT FLAG (UNRIPE)
 45
 46
    REM C2 - PRINT FLAG (OVERRIPE)
 48
    REM FS - FARMER'S NAME
 50
    REM FCS - FRUIT CONDITION
 52 REM FF - % FFA CONTENT
 53 REM
         FΥ
            - FRUIT VALUE
 á 0
    REM
        1
             - INDEX VARIABLE
 45 REM
        1%
            - INCORRECT ITEM NUM
 67 REM IR - INTERNAL RATE OF RETURN
 70 REM J
             - INDEX VARIABLE
 73
    REM KP
             - KERNAL PRICE (N/TON)
 74 REM KR - AMT KERNAL / FRUIT
 75
    REM K
             - INDEX VARIABLE
 76
    REM
         LF - LOOSE FRUIT
    REM LB - LOVER BOUND (IRR CALC)
 77
 78
    REM M
             - MARGIN
 79
    REM N
             - TEMPORARY STORAGE VAR
 80 REM NV - EQUIVALENT CASH FLOW
    REM O
 81
             - AMT OF OIL/FRUIT
 8 2
    REM
         OKS - FLAG VARIABLE
 83 REM
        OP - OIL PRICE (N/TON)
 85
    REM
               - PRICE(S2+Q2+PRICE(TABLE)
 9.0
    REM
        PC% - BUNCH CODE
 95
    REM
         PL - PRINT LISTING
 97
    REM
           PM - PREMIUM AWARD BASED ON % DETACHED FRUIT
 100
    REM PNS - PLANTATION NAME
 110
    REM PR - PREMIUM RATE
 112 REM PTS - POINTER INTO PL
 113
          PV - PRESENT VALUE
     REM
 115 REM
          Q
               - QUANTITY (SUM OF BUNCH WT. IN KG.)
 117 REM QT - QUANTITY TOTALS
 120 REM Q2 - QUANTITY PREMIUM
 123
     REM Q3 - QUANTITY PREMIUM CALC
 125
     REM
         R
              - PERCENT DETACHED
 127
     REM RF - TOTAL WT RIPE FRUIT
 130 REM SNS - STATE NAME
 135 REM ST - SUBTOTAL
 140
     REM S2 - STANDARD PREMIUM
 145 REM T
              - TOTAL FOR FARMER
 150 REM TB - TABLE OF VALUES
```

155 REM TO - TIME DELAY (DAYS)

3

```
156 REM TF - TOTAL FRUIT WT
    REM UB - UPPER BOUND (IRR CALC)
157
         UR - TOTAL WT UNRIPE FRUIT
158
    REM
159
     REM
         v
             - PRESENT VALUE
160 REM VB - BUNCH WEIGHT (LB)
161 REM VS - VARIETY NAME
163 REM V% - VARIETY NUMBER
165 REM VNS - VARIETY NAME TABLE
166 REM VR - TOTAL WT OVERRIPE FRUIT
167 REM W
             - WT OR NUM DETACHED FRUIT
169 REM Y
             - FRUIT PER BUNCH
    REM YR - YEAR (IRR CALC)
170
    REM ZS - CORRECT? VARIABLE
171
172 HOME
174 PRINT TAB( 10): "OIL PALM QUALITY CONTROL"
176 PRINT
178 PRINT
180 PRINT TAB( 18)."BY"
182 PRINT . PRINT
184 PRINT TAB( 10): "ERNEST MESHACK-HART"
186
    PRINT PRINT
188 PRINT : PRINT
190 INPUT "HIT RETURN TO BEGIN." . Ks
191 HOME
193 PRINT . PRINT "WELCOME! THIS PROGRAM PREDICTS THE % FFA"
194 PRINT "AND OTHER FIELD FACTORS SUCH AS DEGREE OF BRUISING AND TIME DELAY"
196 PRINT "THE PERCENT DETACHED FRUIT IS CALCULATED BY RELATING THE WEIGHT OF DETACH
THE TOTAL FRUIT WEIGHT."
198 PRINT : PRINT
200 PRINT : PRINT
202 PRINT "THIS PROGRAM ALSO PERFORMS HARVEST COMPOSITION ANALYSIS"
203 PRINT "THE HARVEST COMPOSITION IS CATEGORIZED INTO UNRIPE.RIPE.OVER-RIPE"
204 PRINT PRINT "YOU WILL ALSO BE ASKED TO EVALUATE THE CONDITION OF THE FRUITLET"
205 PRINT "IF BRUISED. WHAT IS THE DEGREE OF BRUISING"
206 PRINT "WHENEVER IN DOUBT REFER TO THE 'HELP'MENU"
230 REM *** BEGIN PROG ***
240 PRINT : PRINT : PRINT : PRINT
250 INPUT "ENTER PREMIUM: ": PR
240 GOSUB 1000
245 PRINT : PRINT : PRINT : PRINT
270 PRINT "ENTER FARMER'S NAME "
280 INPUT "'QUIT' TO FINISH DAY: ":FS
290 IF FS = "QUIT" THEN GOTO 9000
300 INPUT "ENTER STATE NAME:
                                  " ; SN 1
310 INPUT "ENTER PLANTATION NAME: "; PNS
320 LET PT% = 0
330 LET ST = 0.0
340 LET T = 0
350 PRINT : PRINT "ENTER VARIETY"
353 PRINT "(DURA, PISIFERA, TENERA)"
357 INPUT "'END' TO END CUSTOMER:
358 IF Vs = "END" GOTO 600
340 PRINT "ENTER NO. DETACHED FRUITS"
362 INPUT "OR WEIGHT DETACHED FRUIT: ":W
345 INPUT "NUMBER OR WEIGHT (N.W)?
                                      " ; DF $
370 INPUT "ENTER BUNCH WEIGHT (KG):
                                      " : Q
380 INPUT "ENTER TIME DELAY (DAYS):
                                      ":TD
390 PRINT "ENTER FRUIT CONDITION"
400 INPUT "(U. M. S. V. I, OR HELP): ";FC$
405 IF FCS = "HELP" THEN GOSUB 1500
```

```
410 INPUT "ENTER AGE OF PALM (YEARS) ".AG
415 REM GOTO ACCURACY CHECK
417
    GOSUB 7000
420
    IF DFS = "W" THEN GOSUB 5000
433 GOSUB 2000
434 IF C = - 1 THEN GOTO 350
435 REM GOTO FFA CALC
434 GOSUB 4000
439
    REM GOTO STANDARD PREM CALC
440 GOSUB 3000
460 LET PT% - PT% + 1
465 IF PT% = 500 THEN GOTO 600
470 LET P = TB(V%.PC%.0) + 52 + Q2
480 LET ST = Q * P
    IF FCs ( ) "V" GOTO 485
482
485
    IF FC$ ( > "X" GOTO 490
487
    REM STORE INFORMATION FOR PRINTING LATER
490 LET PL(PT%.0) = V%
500 LET PL(PT%.1) = PC%
510 LET PL(PT%.2) = FF
520 LET PL(PT%.3) = 52
530 LET PL(PT%.4) = ST
540 LET PL(PT%.5) = Q
550 PRINT
560 GOTO 350
400 REM PRINT RESULTS
610 PRINT : PRINT : PRINT PRINT
620 PRINT "FARMER'S NAME: ":F$
630 PRINT "ESTATE:
                          " : PN $
                          " : SN $
640 PRINT "STATE:
450
    PRINT
655
    IF PT% = 0 GOTO 999
440 FOR I = 1 TO PT%
470 PRINT "PRESS (SPACE) TO CONTINUE": GET ZS
680 PRINT "VARIETY:
                               "; VN$ (PL(I,0))
490 PRINT "DEGREE OF RIPENESS. ": BC (PL(I,1))
700 PRINT "WFFA:
                               ".PL(1.2)
                               ":C$(PL(I.0),PL(I,1))
710
    PRINT "PROBABLE COLOR:
720
    PRINT "STANDARD PREMIUM:
                               "; PL(I.3)
730 PRINT "SUBTOTAL:
                               ":PL(1,4)
740 LET T = T + PL(1.4)
750 PRINT
755 IF PL(1.2) ( 2 THEN GOTO 780
740 PRINT "GOOD FARMERS SUPPLY FRESH FRUIT WITH"
770
    PRINT "FFA LESS THAN 2%."
780
    PRINT
790
     PRINT "EXTRA AMOUNT DUE TO PREMIUM IS: ":PL(1,3) * PL(1,5)
800 PRINT
$10 REM TOTAL QUANTITIES FOR PREMIUM CALC
820 LET QT(PL(1.0).PL(1.1)) = QT(PL(1.0).PL(1.1)) + PL(1.5)
830 NEXT I
848 PRINT
870 REM GOSUB QUANTITY PREMIUM CALC
880
    COSUB 4000
890 PRINT "QUANTITY PREMIUM: ".Q3
900 PRINT "TOTAL DUE FARMER: ":Q3 + T
950 INPUT "DO YOU NEED AN ECONOMIC ANALYSIS OF YOUR HARVEST COMPOSITION (Y/N)? ";2
960 IF Zs = "Y" OR ZS = "YES" THEN GOSUB 8000
965 PRINT
970 INPUT "DO YOU WANT ADVICE ON YOUR HARVESTING SYSTEM (Y/N)? ":Z$
```

```
975 IF Z$ = "Y" OR Z$ = "YES" THEN GOSUB 3500
980 PRINT
999 GOTO 245
1000 REM SUBROUTINE TO LOAD TABLES
1001 FOR I = 0 TO 2
1005 READ VN$(I)
1010 FOR J = 0 TO 4
1020 FOR K = 0 TO 2
1Q30 READ TB(I.J.K)
1040 NEXT K
1045 READ C$(I.J)
1050 NEXT J
1060 NEXT I
1070 FOR I = 0 TO 6
1080 READ BC$(I)
1090 NEXT I
1100 FOR I = 0 TO 2
1110 FOR J = 0 TO 4
1115 REM CONVERT PRICE PER TON TO PRICE PER KILOGRAM
1120 LET TB(I,J.0) = TB(I,J.0) / 1000
1130 NEXT J
1140 NEIT I
1150 FOR X = 1 TO 11
1160 READ M(X)
1170 NEXT X
1180 FOR X = 12 TO 35
1190 LET M(X) = 260.52
1200 NEXT X
1210 RETURN
1500 REM HELP SUBROUTINE
1510 PRINT
1520 PRINT "**************
1530 PRINT
1540 PRINT "FRUIT CONDITION SHOULD BE CATEGORIZED"
1550 PRINT "ALONG THE FOLLOWING LINES."
1540 PRINT
1570 PRINT "1 UNBRUISED (NO BRUISING)"
1580 PRINT "2. HODERATELY BRUISED (LESS THAN 20% BRUISED)"
1590 PRINT "3 SEVERELY BRUISED (20-50% BRUISED)"
1600 PRINT "4. VERY SEVERELY BRUISED (50-75% BRUISED)
1405 PRINT "5. EXTREMELY SEVERELY BRUISED (>75% BRUISED)
1610 PRINT
1420 FRINT "ENTER 'U' FOR UNBRUISED"
1430 PRINT "
                 'M' FOR MODERATELY BRUISED"
1640 PRINT "
                  'S' FOR SEVERELY BRUISED"
1650 PRINT "
                  'V' FOR VERY SEVERELY BRUISED."
1455 PRINT " OR 'X' FOR EXTREMELY BRUISED."
1440 PRINT
1670 PRINT "**************
1680 PRINT
1690 INPUT "ENTER FRUIT CONDITION (V. M. S. I. OR V): ":FCS
1900 RETURN
2000 REM SUBROUTINE TO CALCULATE % DETACHED FRUIT.
2010 REM AND ALSO INDICATE WHAT CODE THE BUNCH BELONGS.
2020 IF V$ ( > "DURA" THEN GOTO 2100
2030 REM VARIETY IS DURA
2040 REM 45% OF BUNCH WT. IS FRUIT AND
2050 REM AVE. WT. OF EACH FRUIT IS .017LB(C.W.S HARTLEY)
2040 LET Y = .45 # Q
2070 LET LF = (Y * 2.2) / .017
```

```
2080 LET R = (W / LF) * 100
2070 LET V% = 0
2095 GOTO 2400
2100 IF Vs ( > "PISIFERA" GOTO 2200
2110 REM VARIETY IS PISIFERA
2120 REM 42% OF BUNCH WT IS FRUIT AND
2130 REM AVE WT. OF EACH FRUIT IS . 015LB(C.W S HARTLEY)
2140 LET Y = 62 * Q
2150 LET LF = (Y * 2.2) / 015
2160 LET R = (W / LF) * 100
2170 LET V% = 1
2180 GOTO 2400
2200 IF Vs ( > "TENERA" THEN GOTO 2300
2210 REM VARIETY IS TENERA
2220 REM 60% OF BUNCH WT. IS FRUIT AND
2230 REM AVE. WT OF EACH FRUIT IS 013LB(C W.S HARTLEY)
2240 LET Y = 6 * Q
2250 LET LF = (Y * 2 2) / 013
2260 LET R = (W / LF) * 100
2270 LET V% = 2
2280 GOTO 2400
2300 REM
2310 REM VARIETY IS NOT "DURA". "PISIFERA", OR "TENERA"
2320 PRINT "INVALID FRUIT VARIETY"
2330 PRINT "MUST BE EITHER 'DURA'. 'PISIFERA', OR 'TENERA'"
2340 LET C = - 1
2350 GOTO 2600
2400 REM INDICATE BUNCH CODE
2410 REM BASED ON % DETACHED FRUIT
2420 LET PC% = 0
2430 IF R > 0 THEN PC% = 1
2440 IF R > 10 THEN PC% = 2
2450 IF R > 20 THEN PC% = 3
2460 IF R > 40 THEN PC% = 4
2470 IF R > 60 THEN PC% = 5
2480 IF R > 80 THEN PC% = 6
2600 RETURN
3000 REM SUBROUTINE TO CALCULATE STANDARD PREMIUM
3010 REM
3020 LET 52 = 0
3050 REM FFA CONTENT IS GOOD
3060 REM PREMIUM IS 104 OF THE CURRENT PRICE FOR EACH PERCENTAGE POINT BELOW 2%
3070 REM
3080 REM
3090 LET S2 = (2 - FF) * (TB(V%, PC%, 0) * 104)
3100 IF TB(V%.PC%.1) = 1 AND S2 > 0 THEN S2 = 0
3400 RETURN
3500 REM SUBROUTINE FOR HARVESTING SYSTEM ANALYSIS
3530 PRINT "ENTER VARIETY YOU HARVEST"
3540 INPUT "(DURA. PISIFERA. OR TENERA): "; V$
3550 INPUT "ENTER MDETACHED FRUIT OF YOUR HARVEST COMPOSITION: ";R
3540 IF V$ ( > "DURA" GOTO 3400
3570 LET BW = .1779 + 1.233 * AG
3575 LET LF # - .553 + .2110 # R
3580 LET MS = LF / BV
3590 GOTO 3700
3600 IF Vs ( > "TENERA" GOTO 3640
3610 LET BW = - .0257 + 1.291 * AG
3615 LET LF = - .124 + .4003 * R
3620 LET MS = LF / BV
```

```
3621 LET PM = 0 0013 / (0 0065886 + (0.00004784 * R))
3624 INPUT "PRICE OF OIL: ": OP
3626 LET N = OP * (1 + 1.386 * PM - 0.0184 * PM * R) * (0.0456 + 0.0013 * R)
3430 GOTO 3700
3640 IF Vs ( > "PISIFERA" GOTO 3680
3650 LET BW = .7326 + 1.192 * AG
3655 LET LF = - 415 + 2965 * R
     LET MS = LF / BV
3660
3670 GOTO 3700
3680 PRINT "TYPE SHOULD BE DURA. PISIFERA. OR TENERA "
3490 GOTO 3530
3700 PRINT PRINT "LIKELY AVERAGE BUNCH WEIGHT. "; BW
3710 PRINT "MIN HARVESTING STANDARD:
3715 PRINT "THE EQUIVALENT LOOSE FRUIT"
3716 PRINT "LOOSE FRUIT BEFORE CUTTING THE BUNCH IS: ". LF
     PRINT
3717
3720 PRINT "IF HARVESTING INTERVAL IS SEVEN DAYS."
3721 PRINT "THE MAX PREMIUM IS: ".PM
3724 PRINT "THE REVENUE DUE FARMER IS" "IN
3900 RETURN
4000 REM SUBROUTINE FOR RATE OF
4010 REM ACIDIFICATION CALCUATION
4100 IF TD = 0 THEN GOTO 4400
4110 REM CALCULATE FFA BASED ON TIME DELAY
     IF V$ ( > "TENERA" THEN GOTO 4200
4120
4130 LET FF = .724 + (.443 * TD)
4135 LET FF = (FF + ( 614 + (.0184 * R))) / 2
4140 GOTO 4800
4200 IF Vs ( > "DURA" THEN GOTO 4300
4210 LET FF = .726 + (.654 * TD)
4215 LET FF = (FF + (.601 + ( 0195 * R))) / 2
4220 GOTO 4800
4300 IF Vs ( > "PISIFERA" THEN GOTO 4350
4310 LET FF = .784 + ( 521 * TD)
4315 LET FF = (FF + (.601 + (.0173 * R))) / 2
4320 GOTO 4800
4350 REM VARIETY TYPE IS NOT
4360 REM "DURA". "PISIFERA". OR "TENERA"
4370 PRINT "UNRECOGNIZED TYPE"
4380 GOTO 4990
4400 REM TIME DELAY IS ZERO
4410 REM CALCULATE FFA BASED ON
4420 REM PERCENTAGE DETACHED FRUIT
4430
     IF V$ ( > "DURA" THEN GOTO 4500
4440 LET FF = .601 + (.0195 * R)
4450 GOTO 4800
4500 IF Vs ( ) "TENERA" THEN GOTO 4600
4510 LET FF = .614 + (.0184 * R)
4520 GOTO 4800
4600 IF Vs ( > "PISITERA" THEN GOTO 4350
4610 LET FF = .601 + (.0173 * R)
     GOTO 4800
4620
4800 REM IF FRUIT IS BRUISED.
4810 REM ADD . 4% TO THE FFA VALUE
4820 IF FCS ( ) "M" GOTO 4840
4830 LET FF = FF + .4
4840 IF FC$ ( > "S" GOTO 4860
4850 LET FF = FF + .6
4860 IF FC$ ( ) "V" GOTO 4880
4870 LET FF = FF + 8
```

```
4880 IF FCs ( > "X" GOTO 4990
4890 LET TE = FE + 1 0
4990 RETURN
5000 REM SUBROUTINE TO CALCULATE
     REM THE NUMBER DETACHED FRUITS
5010
5020 REM FROM WEIGHT OF LOOSE FRUITS
5030 IF Vs C > "DURA" THEN GOTO 5100
5040 LET W = (W * 2 2) / 017
5050 GOTO 5400
5100 IF Vs ( ) "PISIFERA" THEN GOTO 5200
5110
     LET W = (W # 2 2) / 015
5120 GOTO 5400
5200 IF Vs ( > "TENERA" THEN GOTO 5300
5210 LET W = (W * 2 2) / 013
5220 GOTO 5400
5300 RETURN
5400 RETURN
5410 RETURN
5500 REM PALM KEY
5510 REM ROOM FOR PRINT STATEMENTS
5520 REM
5530 PRINT
5540 PRINT "CALCULATION OF DIL PER MESOCARP, FFA, DETACHED FRUIT "
5550 PRINT
     INPUT "ENTER TYPE (DURA: PISIFERA, TENERA) - ".vs
5560
5570 PRINT
$580 INPUT "% UNRIPE FRUIT ".UR
5570 INPUT "% RIPE FRUIT
                            a r
5600 INPUT "% OVERRIPE FRUIT " VR
5610 PRINT
5620 REM CALC OF OPM AND FTA
5630 LET DF = 0
5640 LET DE = 1 * UR
5653 LET DF = DF + ( 3 * RF)
5560 LET DF = DF + ( 45 * VR)
$670 IF Vs ( ) "TENERA" GOTO 5720
5680 LET FF = 613 + 0184 * DF
5690 LET OM = 45 59 + 13 * DE
5713 COTO 5820
5720
     IF V3 ( > "DURA" GOTO 5760
5730 LET FF = 601 + 0194 * DF
5740 LET OM = 45.59 + .13 * DF
5750 GCTO 5820
5760 IF Vs ( ) "PISIFERA" GOTO 5800
5770 LET FF = 601 + 0173 * DF
5780 LET OM = 45 59 + 13 * DF
5790 COTO 5820
5800 PRINT "TYPE MUST BE DURA, PISIFERA, OR TENERA"
5810 GOTO 5550
5820 FRINT
5830 PRINT "OPH", "FFA", "DF"
5840 PRINT OM. FF. DF
5850 PRINT
     INPUT "WOULD YOU LIKE TO TRY ANOTHER COMBINATION" . 25
5870
5880
     IF Zs = "YES" CR Zs = "Y" GOTO 5550
5900 RETURN
4000 REM SUBROUTINE TO CACULATE
6010 REM QUANTITY PREHIUM
6020 LET Q3 = 0
6030 FOR I = 0 TO 2
```

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4040 FOR J = 0 TO 6
6050 IF TB(I.J.1) = 1 THEN COTO 4080
4040 IF TB(I.J 2) > QT(I.J) THEN COTO 4080
6070 LET 92 = (PR * TB(I.J.0))
6072 LET Q3 = QT(1.J) * Q2 + Q3
6080 NEXT J
6090 NEXT I
6120 RETURN
.330 REM SUBROUTINE PALM ROYAL
6310 PRINT
4320 REM ROOM FOR PRINT STATEMENTS
6330 REM
6340 INPUT "ENTER RATE OF INTEREST ". IR
.350 INPUT "ENTER NUMBER OF YEARS 'YR
6360 PRINT
6370 LET N = IR
1380 LET PV(YR) = 0
6390 FOR X = (YR - 1) TO 0 STEP - 1
6400 LET FV(X) = (PV(X + 1) + M(X)) / (1 + 1R)
Adia MEYT Y
6420 PRINT
6430 FOR X = 0 TO (YR - 1)
6440 FRINT "PRESENT VALUE FOR YEAR ".X." ".PV(X)
450 NEXT X
6460 FRINT
6470 INPUT "PRESS (RETURN) TO CONTINUE". Z3
6480 PRINT
6490 REM CAPITAL PROFILE
6500 LET C = 0
6510 FOR X = 1 TO YR
6520 LET C = - M(X) + C * (1 + IR)
6530 PRINT "CAPITAL FOR YEAR ".X." ".C
6540 NEXT X
6550 INPUT "PRESS (RETURN) TO CONTINUE". ZS
6560 PRINT
6570 LET IR = 15
6580 LET LB = - 3
4590 LET UB . 3
6600 LET V = 0
6610 FOR X = (YR - 1) TO G STEP - 1
6620 LET V = (V + M(X)) / (1 + IR)
6630 NEXT X
4649 IF ABS (V) ( 01 GOTO 4740
6650 IF V ( 0 GOTO 4700
6660 REM V > 0. INCREASE IR
6670 LET LB = IR
6680 LET IR = ((UB - LE) / 2) + LB
6690 GOTO 6600
4700 REM V ( 0. DECREASE IR
6710 LET UB = IR
6720 LET IR = ((UE - LB) / 2) + LB
6730 GOTO 4600
4740 FRINT "INTERNAL RATE OF RETURN ".IR
6750 PRINT
6760 PRINT "DG YOU WANT THE EQUIVALENT CASH FLOW"
6770 PRINT "OF THE NET PRESENT VALUE".
6780 INPUT ZE
6790 LET IR = N
4800 IF Zs ( ) "YES" AND Zs ( ) "Y" GOTO 4900
6810 INPUT "FOR WHAT YEAR?", YR
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4820 LET NV = PV(YR) * IR * ((1 + IR) A YR)
6830 LET NV = NV / (((1 + IR) A YR) - 1)
6840 PRINT
6850 PRINT "ANNUAL CASH FLOW " NV
6860 CCTO 6760
6700 RETURN
1000 REM SUBROUTINE TO CHECK
70:0 REM INPUT ERRORS
1020 REM SCHO PRINT
7040 PRINT PRINT
7050 FRINT "IS THIS INFORMATION CORRECT?"
7060 PRINT
7070 PRINT "1 VARIETY
7080 PRINT "2 DETACHED FRUIT
                                   ·· , U
7085 PRINT "3 WEIGHT OR NUMBER
                                   " . DF S
                                   a
7093 PRINT "4 BUNCH WEIGHT
7100 PRINT "5 TIME DELAY
                                   " TD
7110 PRINT "6 FRUIT CONDITION
7120 PRINT "7 PALM TREE AGE
7130 PRINT
7140 PRINT "CORRECT (Y/N)? " GET GKS
7150 IF OKS = "Y" OR OKS = "YES" THEN GOTO 7700
7200 PRINT "WHICH ITEM IS INCORRECT (1-7)? " GET IS
7205 LET I% = VAL ([5)
7210 IF 1% ( > 1 THEN GCTO 7250
7220
     PRINT "ENTER VARIETY"
7230 INPUT "(DURA, PIBITERA, TENERA) ". VS
7240 GCTO 7000
7250 IF 1% ( > 2 THEN GOTO 7285
7260 PRINT "ENTER NUMBER OF DETACHED FRUITS"
7270 INPUT "OR WEIGHT DETACHED ".W
7280 GCTO 7000
7285 IF IN ( > 3 THEN GOTO 7300
7290 INPUT "WEIGHT OR NUMBER (W.N) " DES
7295 COTO 7000
7300 IF I% ( > 4 THEN GOTO 7350 -
7310 INPUT "ENTER QUANTITY (KG) " Q
7323 GOTO 7000
7350 IF I% ( > 5 THEN GOTO 7400
7360 INPUT "TIME DELAY (DAYS) ", TD
7370 SCTO 7000
7400 IF IN ( > 6 THEN GOTO 7450
7410 PRINT "ENTER FRUIT CONDITION"
7420 INPUT "(U. M. S. V. X. OR HELP) ".FCS
7425 IF FC: = "HELP" THEN COSUB 1500
7430 GOTO 7000
7450 IF I% ( > 7 THEN GOTO 7500
7160 INPUT "ENTER AGE OF PALM (YEARS) - ".AG
7470 COTO 7000
7500 PRINT "ITEM NUMBER MUST BE A NUMBER FROM 1 TO 7 "
7513 GOTO 7200
7700 IF Vs = "DURA" OR Vs = "PISITERA" OR Vs = "TENERA" GOTO 7740
7705 PRINT
77:0 FRINT "VARIETY MUST BE 'DURA'. 'PISITERA'. OR 'TENERA' "
7720 PRINT "PLEASE CHECK VARIETY "
7730 GOTO 7000
7740 IF DE: = "V" OR DE: = "N" GOTO 7780
2745 PRINT
7750 PRINT "ITEM NUMBER THREE (WEIGHT OR NUMBER)"
7760 PRINT "MUST BE EITHER 'W' OR 'N' "
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1770 PRINT "PLEASE CHECK WEIGHT OR NUMBER "
7775 GOTO 7000
7780 IF FCS = "U" OR FCS = "M" OR FCS = "S" OR FCS = "V" OR FCS = "X" GOTO 7900
7785 PRINT
7770 PRINT "FRUIT CONDITION MUST BE 'U' FOR UNBRUISED."
7800 PRINT "'M' FOR MODERATELY BRUISED. 'S' FOR"
18:0 PRINT "SEVERELY BRUISED "V" FOR VERY SEVERELY"
7815 FRINT "BRUISED. OR 'X' FOR EXTREMELY BRUISED '
1820 FRINT 'PLEASE CHECK FRUIT CONDITION '
7830 GOTO 7000
1700
      RETURN
9000 REM SUBROUTINE FOR COST ANALYSIS
8013 REM COLLECT ADDITIONAL INFORMATION
90:5
      INPUT "ENTER VARIETY YOU HARVEST
                                               " V $
      INPUT "ENTER AREA HARVESTED CACRES)
                                               " AR
9023
                                               " G
8030 INFUT "ENTER QUANTITY HARVESTED (TONS)
8040 INPUT "ENTER BUNCH WEIGHT (LBS)
                                               ".VB
3045 INPUT "ENTER FRUIT WEIGHT (G)
                                               " FW
      INPUT 'ENTER CURRENT DIL PRICE (N/TON)
8050
                                               ".OP
8050 INFUT "ENTER CURRENT KERNAL PRICE (N/TON) ".KP
8070 PRINT
8090 INPUT "ARE YOU A GROWER, PROCESSOR, OR BOTH? ".ZS
8090 PRINT
8093 LET C1 = 0
8097 LET C2 = 0
8100 UR = 0
81:3 RF = 0
9120 VR = 0
8130 FOR [ = 0 TO 2
8140 FOR J = 0 TG 2
8:50 REM TOTAL UNRIPE FRUIT
$160 LET UR = UR + QT(1.J)
8170 NEXT J
8190 FOR J = 3 TO 4
8200 REM TOTAL RIPE FRUIT
8210 LET RF = RF + GT(I.J)
8230 NEXT J
8240 FOR J = 5 TO 4
8250 REM TOTAL OVERRIPE FRUIT
8260 LET VR = VR + GT(I.J)
8263 NEXT J
8245 NEXT :
8267 LET TF = UR + RF + VR
8268 LET UR = (UR / TF) # 100
8273 LET RF = (RF / TF) + 100
8275 LET VR = (VR / TF) * 100
8279 PRINT
3280 PRINT "FERCENTAGE UNRIPE FRUIT. ".UR
8282 PRINT "PERCENTAGE RIPE FRUIT
                                      " . RF
8284 PRINT "PERCENTAGE OVERRIPE TRUIT ". VR
8286 PRINT
8287 GOSUB 9500
8288 REM DECIDE WHICH MESSAGE 13 APPROPRIATE
8290
     IF (UR + VR) ( 30 THEN GOTO 8330
$2 93 IF ABS (UR - VR) ( 5 THEN GOTO 8320
8296 IF UR > VR THEN COTO 8310
8279 REM OVERRIPE ) UNDERRIPE
8300 LET C2 . 1
8304 IF UR > 30 THEN LET C1 = 1
8304 GOTO 8330
```

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8310 REM UNDERRIPE > OVERRIPE
8312 LET C1 = i
8315 IF VR > 30 THEN LET C2 = 1
8 3 1 7
     GOTO 8330
8320 REM PRINT BOTH MESSAGES
8324 LET C1 = 1
9327 LET C2 = 1
8327 REM PRINT MESSAGES
8030 IF C1 ( ) 1 THEN GOTO 8360
            PRINT "MUCH DIL IS LOST BY HARVESTING UNRIPE BUNCHES "
8333 PRINT
8340 PRINT "THE FREMIUM OBTAINED FOR LOWER FFAS"
8345 PRINT "CANNOT OFFSET THIS LOSS "
8350 PRINT PRINT "ANNUAL LOSS PER HECTARE FOR UNRIPE BUNCHES ".2 5 * (( 018 * Q) * OP) / AR.
" N/HECTARE"
8360 IF C2 ( > 1 THEN 8800
8365 PRINT
8370 PRINT "EXCESSIVE LOOSE FRUITS AND BUNCHES ARE MORE PRONE"
8380 PRINT "TO DAMAGE. LEADING TO HIGH FFA% OIL CONTENT."
9390 PRINT "WHICH YIELDS POOR OIL QUALITY "
8500 REM CALCULATE LOSS PER ACRE
8510 REM CALCULATE BUNCHES LOST PER ACRE
8520 LET L = Q / ((VB * 45) / 1000)
8550 IF Zs ( > "PROCESSOR" AND Zs ( > "P" AND Zs ( > "B" AND Zs ( ) "BOTH" GOTO 8650
8560 REM CUSTOMER IS A PROCESSOR
8570 0 = FW * 367
8589 LET A = OP * (0 / 1000000)
8590 KR = FW # 075
8600 LET B = KP * (KR / 1000000)
8610 LET FV = A + B
8650 IF Z$ ( ) "GROWER" AND Z$ ( ) "G" GOTO 8700
8660 REM CUSTOMER IS A GROWER
8670 INPUT "ENTER FRUIT PRICE (TON) ".FP
8680 LET D = FP * (FW / 1000000)
8670 LET TV = D
8700 PRINT PRINT "ANNUAL LOSS PER HECTARE FOR OVERRIPE BUNCHES: ":2 5 * (FV * L);" N/HECTARE"
8800 PRINT PRINT
8805 GOSUB 6300
88:0 INPUT "DO YOU WANT AN AID IN ADJUSTING YOUR HARVESTING SYSTEM (Y/N)? ".Z$
8820
     IF Z: = "Y" OR Z: = "YES" THEN GOSUB 5500
8790 FOR I = 0 TO 2
8991 FOR J = 0 TO 6
8994 QT(I,J) = 0
8996 NEXT J
8997 NEXT I
8999 RETURN
9000 PRINT PRINT
7010 PRINT "PROGRAM ENDED "
9020 STOP
9500 REM CALCULATE OIL PER MESOCARF AND FFA
9520 LET DF = 0
9530 REM 10% OF UNRIPE IS DETACHED
9540 LET DF = .1 * UR
9550 REM 30% OF RIPE IS DETACHED
9560 LET DF = DF + ( 3 * RF)
9570 REM 40% BUT NOT MORE THAN 50% IS DETACHED
9580 LET DF = DF + ( 45 * VR)
9590 IF V$ ( ) "TENERA" GOTO 9630
9600 LET FF = .613 + 0184 * DF
9610 LET OM = 45 59 + 13 * DF
9620 COTO 9750
```

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9630 IF Vs ( ) "DURA" GOTO 9670
9640 LET FF = .601 + .0194 * DF
9650 LET OM = 45 59 + 13 * DF
9660 GOTO 9750
7670 IF VS ( > "PISITERA" GOTO 9710
9680 LET FF = 601 + 0173 * DF
9690 LET OM = 45 59 + 13 * DF
9700 GOTO 9750
9710 PRINT "VARIETY MUST BE DURA. PISIFERA. GR TENERA "
7720 RETURN
9750 PRINT "OIL PER MESOCARP" . "FFA"
9760 PRINT OM . FF
9780 PRINT
9803 RETURN
10000 REM DATA FOR TABLE
10010 REM TB(2.6.2)
10020 DATA "DURA"
10030 DATA 0.1.0."BLACK"
      DATA 10.1.0."ELACK"
10040
10050 DATA 40.1.0."BLACK"
10060 DATA 75.0.20. "SHINY BLACK"
10070 DATA 75.0 20. "SHINY BLACK"
10080 DATA 40.1.0. "SHINY BLACK"
10090 DATA 10.1.0. "SHINY BLACK"
10100 DATA "PISIFERA"
10130 DATA 0.1.0. "GREEN"
      DATA 10.1.0."YELLOW GREEN OR 35% RIPE COLOUR"
10140
10150 DATA 40.1 0. "YELLOW GRANGE OR 50% RIPE COLOUR"
10140 DATA 75.0.20. "ORANGE OR 70% RIPE COLOUR"
10170 DATA 75.0.20. "RED CRANGE OR 90% RIPE COLOUR"
10180 DATA 40.1.0. "RED OR 95% RIPE COLOUR"
10170 DATA 10.1.0. "RED OR 100% RIPE COLOUR"
10200 DATA
            "TENERA"
10230 DATA 0.1.0."GREEN"
10240 DATA 10.1.0. "YELLOW GREEN OR 40% RIPE COLOUR"
      DATA 40.1.0. "YELLOW GRANGE OR 50% RIPE COLOUR"
10250
10260 DATA 75.0.20. "ORANGE OR 70% RIFE COLOUR"
10270 DATA 75.0.20. "RED ORANGE OR 80% RIPE COLOUR"
10280 DATA 40 1.0, "RED OR 90% RIPE COLOUR"
10290 DATA 10.1.0. "RED OR 100% RIPE COLOR"
10300 DATA
             "VERY UNRIPE"
10310 DATA
             "UNRIPE"
10320 DATA
             "UNDER RIPE"
10330 DATA
             "JUST RIPE"
10340 DATA
             "RIPE"
10350 DATA
             "OVER RIPE"
10360 DATA
             "VERY OVER RIPE"
10370 REM TABLE FOR IRR CALC
1040G DATA -1067 45
10410 DATA -220.99
10420 DATA -128 09
10430 DATA -36 47
10440
      DATA 25 02
10450 DATA 109 02
10460 DATA 134 52
10470 DATA 218.52
10480 DATA 260.52
10490 DATA 260 52
10500 DATA 260 52
```



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