

Bd. Secty

**COFFEE
INDUSTRY
BOARD**

ANNUAL REPORT

**FOR THE YEAR
ENDING
31st JULY, 1970**

CENTRAL FACTORIES

The Board's six Central Factories were in operation during the 1969/70 harvesting season, August – December. The total receipts at the Factories amounted to 237,134 Boxes of Cherry Coffee (One box of Cherry Coffee weighs approximately 60 lb.). The 1968/69 Crop yielded 210,018 boxes. The increase in the present crop may be attributed to the biennial pattern of bearing. Details of receipts are set out below:—

Aenon Town	—	48,385 Boxes
Trout Hall	—	72,167 "
Bog Walk	—	59,367 "
Clarendon Park	—	37,180 "
Dover	—	3,172 "
Maggotty	—	16,863 "
		237,134 Boxes

In addition Receipts at the two Co-operative Factories were:

Catadupa		4,645 Boxes
Guy's Hill		10,649 "
	TOTAL	252,428 Boxes ✓

The following table sets out the total number of boxes processed at the Board's six Central Factories during the past five (5) crop years:—

1965/66	—	280,605 Boxes
1966/67	—	202,933 "
1967/68	—	294,512 "
1968/69	—	194,022 "
1969/70	—	237,134 "

(The average outturn of one box cherry coffee is approximately 10 lb. clean coffee).

Details of deliveries and disbursements by each Factory are set out at Appendix 'A'.

For the crop the Board paid a total of \$2.79 gross per box. Growers received a total of \$2.60 per box nett cash — i.e., an Advance Price of \$1.60 per box and a final (Bonus) payment of \$1.00 per box which was declared by the Board after sales of the crop were completed.

This price was the highest growers received since the establishment of the Board in 1950. The Board also paid 5c per box to the Jamaica Agricultural Society to be credited to the Growers' Share Capital Account in

their respective Co-operative Societies, 13c per box to the Co-operatives to meet their expenses, which includes payment to Coffee Collectors, Group Secretaries, Secretaries of Co-operatives etc., and 1c per box to the Jamaica Agricultural Society Coffee Growers' Federation Ltd., for the expenses of the Federation. All costs incurred in the transportation of the cherry coffee from the collecting depots to the Central Factories as well as all processing and finishing expenses are met by the Board. The gross price per box paid by the Board over the last five (5) crop years is as follows:—

1965/66	—	\$2.46
1966/67	—	\$2.54
1967/68	—	\$2.59
1968/69	—	\$2.59
1969/70	—	\$2.79

ORGANIZATION OF GROWERS

The majority of coffee growers in the areas served by the Central and Co-operative Factories are organized into groups which are affiliated to the Registered Coffee Co-operative Societies and Coffee Area Councils. These Organizations are all affiliated to the Jamaica Agricultural Society Coffee Growers' Federation Limited, which exercises control over them. There are 20 Coffee Co-operative Societies and 2 Coffee Area Councils, with a total membership of 53,977 organized in 649 Coffee Groups.

The Board makes an Annual Grant of \$7,000.00 to the Jamaica Agricultural Society to provide Accounting Services for the Co-operatives and also to undertake Organizational Work within the industry.

Surpluses and Reserves of the Coffee Co-operatives, other than surpluses of the co-operatively owned Factories, were built up entirely by the Board's deduction of 5c per box on all coffee delivered by the Growers prior to the registration of the Societies under the Co-operative Law. After registration, the 5c per box deduction from deliveries was placed towards the Share Capital of Members in their respective Co-operatives. Factories owned by registered Coffee Co-operative Societies are — Guy's Hill and Catadupa, and in the Blue Mountains; Moy Hall, Silver Hill and Langley.

Growers supplying coffee to the Catadupa and Guy's Hill Factories receive the same Advance Price per box and the same Bonus payment as growers supplying the Board's Central Factories. The Board provides funds for this purpose, and in addition, the Board also pays the actual processing expenses of the two Factories.

MARKETING

All cherry coffee processed to parchment coffee at the Board's six Central Factories and the two Co-operative Factories at Guy's Hill and Catadupa is finished at the Central Grading and Finishing Works, also the Blue Mountain Coffee grown at the Board's estate at Wallenford in the Blue Mountains. All this coffee exported from Jamaica is processed and shipped by the Board. The Board exports three types of coffee — Prime Jamaica Washed,

High Mountain Supreme and Wallenford Estate Blue Mountain. Export sales were made through the Board's Agents in the United Kingdom, United States of America and Japan, all on the basis F.O.B., Kingston.

All green coffee used by the Local Roasters and Processors, must, by Law, be obtained from the Board.

The Board permits the two Co-operatively owned Factories in the Blue Mountains and the Mavjs Bank Central Factory, a privately owned Factory, to export their own coffee.

The Board also approves the export of Roasted and Soluble Coffee by Local Processors.

Total island production — other than the Blue Mountain Coffee — processed and distributed by the Board during the last five years was as follows:—

	<u>Local Sales</u> (Bags 132 lb.)	<u>Export Sales</u> (Bags 132 lb.)
1965/66	12,788	9,121
1966/67	12,119	7,532
1967/68	12,766	9,700
1968/69	10,389	6,831
1969/70	9,498	10,837

The overall average price realised from the sale of the 1969/70 crop was 46c per lb., while for the 1968/69 crop it was 41c per lb. The Gross price of \$2.79 per box paid by the Board is equivalent to 28c per lb. of clean coffee or 61% of the average price realised from sales.

INTERNATIONAL COFFEE ORGANIZATION

Jamaica became a member of the International Coffee Organization in 1967. The Organization was set up under the International Coffee Agreement and comprises almost all of the Coffee Exporting Countries and the main consuming countries. The main purposes of the Agreement are to stabilize prices of coffee on world markets by regulating coffee exports, and to prevent violent fluctuations in prices, which prior to the Agreement had catastrophic results, particularly in those countries whose economies were largely dependent on coffee exports for foreign exchange earnings.

The International Coffee Organization makes available funds to consuming countries for promoting increased coffee consumption. The International Coffee Organization requires Jamaica to submit monthly, quarterly, and annual statements covering the export of ALL coffee (green, roasted and soluble) from Jamaica.

Destinations and quantities of all coffee exported during the period 1st August 1969 to 31st July 1970 are set out hereunder:—

<u>Destinations</u>	<u>Quantities Exported (X) Bags of 60 Kilos</u>
Antigua	2.19
Bahamas	15.57
Barbados	186.95
Bermuda	16.77
Canada	18.51
Curacao	14.55
Dominica	15.53
Grenada	19.74
Guyana	568.58
Holland	189.61
Japan	9,680.02
Montserrat	3.06
St. Kitts	5.08
St. Lucia	3.49
St. Vincent	6.46
Switzerland (For de-caffeination and return to Jamaica)	332.64
Trinidad	580.30
United Kingdom	744.10
United States of America	265.46
	<u>12,668.61</u>

(X) Roasted Coffee and Soluble Coffee Exports are converted to their original weights in Green Coffee for the purpose of the statement.

COFFEE PROCESSORS.

The Law requires all firms engaged in the manufacture of coffee to be licensed by the Board. The following firms were granted Coffee Works Licences during the period —

Coffee Company of Jamaica Ltd.
Salada Foods (Jamaica) Ltd.
Jamaica Standard Products Co. Ltd.
Acme Products Corporation.

Salada Foods (Jamaica) Ltd., is the sole manufacturer of Soluble Coffee. As the Board is not able to supply the type of coffee required by the manufacturers of soluble coffee and the cheaper blends of roasted coffee, 3,116 bags (132 lb nett) of Robusto Coffee from Trinidad and 3,265 bags (132 lb. nett) or Arabica Coffee from Haiti, were imported for use by the Local Processors.



LAWS AND REGULATIONS

The Coffee (Cess) Order, 1969:

On the 8th of September 1969, new rates of Cess were imposed by the Coffee Industry Board. This was done under sub-section 2 of Section 9 of the Coffee Industry Regulation Law. Prior to the 8th September 1969, Soluble or Instant Coffee was exported without the payment of a Cess. The Coffee (Cess) Order 1969 requires that exporters pay 2c of the proceeds of sale of each pound of Green Coffee or Roasted Coffee, and 4c on the proceeds of sale of each pound of Instant Coffee.

The Agricultural Loans Law (Amendment) Act 1970;

The Agricultural Loans Law was amended in April 1970 and Coffee was added to the second schedule of the principal Law. The tenure of a Crop Lien Loan under the Law is 18 months, except for any crop specified in the Second Schedule of Section 4 of the Principal Law. Crop Lien Loans made on any crop specified in the Schedule are not subject to the time limitation of 18 months, but are of continuing tenure until completely repaid.

SEEDLINGS

As the Ministry of Agriculture was not able to produce the total quantity of seedlings required for distribution to growers during 1969/70, the Board made the sum of \$8,000.00 available to the Christiana Area Land Authority for the production of 200,000 Coffee seedlings for Fall Planting 1970.

COFFEE RESUSCITATION AND EXPANSION PROGRAMME

The Coffee Resuscitation and Expansion Programme came into operation on the 1st of April 1969. Briefly the programme aims to establish 5,000 acres of new plantings during the five year period ending in the Spring of 1974. (Private growers to establish 4,000 acres and Government Agencies 1,000 acres). It also envisages the resuscitation of 8,000 acres of old unproductive coffee during the period. It is expected that within 3-4 years after the programme ends, when all the new plantings will be in full bearing the total production will be approximately 650,000 boxes of cherry coffee annually. This, of course, will depend on the care and maintenance of the Orchards. Under the Programme growers will receive incentives in the form of:—

- (a) Training in modern techniques of coffee husbandry;
- (b) Subsidies for establishment and for maintenance of new plantings — \$30.00 per acre for establishment, and \$15.00 per acre for the first and second years after establishment;
- (c) Subsidies for resuscitation of old coffee trees — \$15.00 per acre in each of the first and second years after cutting back to stump;
- (d) Fertilizer Subsidy at the rate of 33 1/3% — 20% of the cost is borne by the Government and 13 1/3% borne by the Board;
- (e) Pest and disease control measures free of cost.

In the first year of operation the target of 800 acres to be established by growers was exceeded. Details of the programme to the 31st July 1970 are as follows:—

1.	Number of participants (New Plantings)	—	3,540
2.	Number of coffee seedlings distributed		1,386,749
3.	Acreage established —		
	(a) by Growers	—	942
	(b) by the Board	—	32
4.	Establishment Subsidy paid		\$28,274,00
5.	Acreage resuscitated	—	13
6.	Number of Participants (Resuscitation)	—	27
7.	Resuscitation Subsidy paid (First Year)		\$ 206.00

In view of the existing low production the Board decided NOT to push the resuscitation part of the programme until after the 1969 and 1970 new plantings come into production.

Field Staff:

The Board's Field Officers, who are graduates of the Jamaica School of Agriculture, are supervised by an Agronomist. The Officers ensure that all new plantings are undertaken by Growers using modern cultural practices. The present staff consists of:—

1 Senior Field Officer
19 Field Officers
34 Field Assistants.

The Officers are stationed in the main coffee producing areas and provide all the technical assistance for establishing coffee orchards, and they also carry out pest and disease control measures whenever required.

COFFEE INDUSTRY BOARD SCHOLARSHIPS

The Board awards two scholarships annually to the son and to the daughter of a coffee grower. The Scholarships are tenable at the Jamaica School of Agriculture for a period of three (3) years.

The Jamaica Agricultural Society celebrated its 75th Anniversary during 1970. To commemorate this event, the Board decided to award, in addition to the two scholarships, a Special Farmers Year Scholarship, also tenable at the Jamaica School of Agriculture.

