

Board Secty



**COFFEE
INDUSTRY
BOARD**

**ANNUAL REPORT
AND STATEMENT
OF ACCOUNTS**

**FOR THE YEAR
ENDING
31st JULY, 1976**

GENERAL REVIEW

1. GOOD CROP:

The 372,719 boxes of cherry coffee processed by the Board's six Central Factories during the 1975/76 crop is a clear indication of the success of the expansion drive which started in the Spring of 1969. This crop is the largest recorded by the Board since its inception and can be seen as giving notice that the coffee industry has the potentials to play a more vital role in the economic development of Jamaica.

Compared to 235,699 boxes processed in 1974/75, production has increased by 58%.

2. EXPANSION DRIVE:

One of the primary considerations of the Board over the last six years has been expansion and in this regard funds have been obtained for re-loan to coffee growers at very low interest rates. To date loans have been approved to establish 241 acres of coffee, most of which are to be established in the Blue Mountain areas.

It is expected that US\$1 million will be loaned out by the fall of 1977 under this expansion and development programme.

3. SIR JOHN'S PEAK COFFEE PLOT:

This is the Board's most ambitious project to date and continues to be challenging in every respect. Sir John's Peak is among the highest peaks in the Blue Mountain range and rises to over 6,300 feet above sea level.

The Board has gone through some of the most rugged terrain to establish eight-one (81) acres of coffee with land preparations in progress for a further seventeen (17) acres. It is estimated that one hundred and fifty (150) acres will be established by the fall of 1977.

4. AENON TOWN CENTRAL FACTORY — RENOVATED:

This central factory was the first to be operated by the Coffee Industry Board. In fact, prior to the incorporation of the Coffee Industry Board and before the establishment of the Central Grading and Finishing Works such activities as pulping, washing and drying were carried out at the Aenon Town Factory.

When the Coffee Industry Board was set up the factory was handed over by the Colonial Secretary.

With the expansion of coffee in the St. Ann area the factory became quite inadequate to process efficiently the increased supply. In addition the layout which dated back to the 1940s could no longer allow for smooth operations and it was decided to remodel the factory. The remodelling was carried out at a cost of \$86,704.

5. PRICES TO GROWERS:

Over the last three years the Board has adopted an aggressive pricing policy in an effort to back the expansion drive in a very meaningful way. In 1974/75 coffee growers received an advance price of

\$5.00 per box and a final payment of \$2.40 per box. For the 1975/76 crop there was an advance price of \$6.00 per box and a final payment of \$3.20 per box. In all growers were paid a total of \$3,434,534 for the 1975/76 crop.

It is of interest to note that the Board returned to the growers 72.1% of the sales proceeds for 1975/76.

6. SALES:

Sales for the 1975/76 crop were \$4,774,011 compared with \$3,500,111 for that of 1974/75 an increase of 35.5%. The overall average price received from the crop was \$1.30 per lb. as against \$1.20 per lb. for 1974/75.

7. JAMAICA AGRICULTURAL SOCIETY:

The Board makes an annual grant of \$7,000 to the Jamaica Agricultural Society to provide accounting services, training and to undertake organizational work within the Coffee Industry. The Board also paid 5 cents per box to the Jamaica Agricultural Society to be credited to Growers' Share Capital in their respective Co-operatives, 2 cents per box to the Jamaica Agricultural Society Coffee Growers' Federation Ltd., to cover expenses and a further 20 cents per box to the Co-operatives to meet their expenses. Coffee Growers who are members of the Coffee Co-operatives are organized by the Jamaica Agricultural Society. The Jamaica Agricultural Society Coffee Growers' Federation Ltd., is the governing body for the Coffee Co-operatives. There are 18 registered Coffee Co-operatives with a membership of approximately 53,977.

8. COFFEE PROCESSORS:

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

Salada Foods Jamaica Ltd.
Jamaica Standard Products Co., Ltd.
Acme Products Corporation
Mavis Bank Central Factory Ltd.

Salada Foods Jamaica Ltd. is the only manufacturer of Soluble Coffee. The Board imported for local manufacturers 5,217.52 bags (132-lb. nett) of Robusta Coffee from Trinidad, and 1,950.92 bags of Arabica Coffee from Costa Rica. This coffee was used in the manufacture of Soluble Coffee and in the cheaper blends of Roasted Coffee. Exports of Roasted Coffee and Soluble Coffee by Salada Foods Jamaica Ltd. to CARICOM countries stood at a figure of 791.24 bags, and to other countries 210.30 bags. (Converted to equivalent bags of green coffee 60 kilos nett).

9. ACKNOWLEDGEMENT:

The Board wishes to record its appreciation to its employees in the field, Central Factories and here at the Central Grading and Finishing Works for their dedication and interest, without which the year would not have been such a successful one.

The Board also records its indebtedness to all coffee growers and to the many organizations which so willingly co-operated at all times.

COFFEE CO-OPERATIVES

A comparison of the deliveries of coffee by growers to the Board's Central Factories and the Co-operative Factory through the Coffee Co-operatives are set out below:—

<u>Co-operatives</u>	<u>1975/76</u> <u>(Boxes)</u>	<u>1974/75</u> <u>(Boxes)</u>	<u>1973/74</u> <u>(Boxes)</u>
West St. Ann	36,232	17,677	36,550
East St. Ann	11,150	4,846	9,582
Upper Trelawny	13,788	6,280	9,778
Frankfield	68,981	44,698	53,160
South Clarendon	7,028	8,255	8,664
North East Clarendon	28,319	33,428	21,690
North Manchester	32,826	12,225	29,105
South Manchester	24,140	13,832	32,632
West St. Andrew	3,922	742	2,322
Central St. Catherine	27,176	12,013	13,454
North West St. Catherine	42,605	34,917	22,271
Central St. Mary and West Portland	8,446	4,266	5,849
Darliston	2,368	1,189	1,146
St. Elizabeth	20,530	12,218	14,935
East Portland	388	172	265
Guy's Hill	19,680	9,667	17,618
Co-operatively owned Factory — Catadupa	8,165	4,364	4,467
Blue Mountain Factories			
Moy Hall/Langley	9,710 ✓	5,918	9,183
Silver Hill	10,438 ✓	9,550	4,903

CENTRAL FACTORIES

The Board's six (6) Central Factories processed a total of 372,719 boxes this year.

A distribution of receipts is set out below —

	<u>1975/76</u> <u>(Boxes)</u>	<u>1974/75</u> <u>(Boxes)</u>
Aenon Town	82,413	37,460
Bog Walk	107,212	64,588
Clarendon Park	44,076	26,439
Dover	10,236	4,052
Maggotty	38,272	24,175
Trout Hall	90,510	79,271
	<u>372,719</u>	<u>235,985</u>

In addition Co-operative
Factory —

Catadupa	<u>8,165</u>	<u>4,364</u>
	<u>380,884</u>	<u>240,349</u>

Below is a distribution of the total number of boxes processed by the Board's six (6) Central Factories over the past 5 crop years.

1971-72	—	283,266
1972-73	—	197,089
1973-74	—	303,524
1974-75	—	235,985
1975-76	—	372,719

Details of deliveries and disbursements by each Factory, see Appendix "A"

MARKETING

The types of coffee exported by the Board were — Prime Jamaica Washed, High Mountain Supreme, Wallenford Estate Blue Mountain, Mavis Bank Central Factory Blue Mountain (MBCF), Silver Hill Blue Mountain (PCSH), Moy Hall Blue Mountain (MHGGT) and Langley Blue Mountain.

Sales were made on the basis of F.O.B. Kingston, to the Board's buyers in Japan and the U.S.A.

Total island production — other than Blue Mountain Coffee — processed and distributed by the Board during the last five (5) crop years was as follows:—

	<u>Local Sales</u> <u>(Bags 132 lb.)</u>	<u>Export Sales</u> <u>(Bags 132 lb.)</u>
1971-72	8,724	13,259
1972-73	7,666	13,224
1973-74	7,647	13,124
1974-75	9,243	11,748
1975-76	9,903	17,452

PRICE

The gross price per box paid by the Board over the last five (5) crop years is set out below —

1971-72	—	\$3.21
1972-73	—	\$3.81
1973-74	—	\$5.41
1974-75	—	\$7.67
1975-76	—	\$9.47

Transportation of cherry coffee from collection depots to Central Factories and finishing expenses are borne by the Board.

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INTERNATIONAL COFFEE ORGANIZATION

Jamaica became a member of the International Coffee Organization in 1967. The Organization was set up under the International Coffee Agreement in 1962, and comprises all of the coffee exporting and the main consuming countries. The Agreement seeks to stabilize coffee on world markets by regulating coffee exports, thus preventing violent fluctuations in prices.

Under the terms of the Agreement member countries are required to submit monthly, quarterly and annual statements covering the export of all coffee (green, roasted and soluble) undertaken by them. Destinations and quantities of all coffee exported by Jamaica during the period 1st August 1975 to 31st July 1976 are set out below:—

		Green Bags (60 Kilos)
Japan	—	18,461.34
United States of America	—	450.58*
		18,911.92
		Roasted Bags (60 Kilos)
United States of America	—	167.32
Canada	—	42.98
Guyana	—	232.36
Trinidad	—	305.60
Barbados	—	237.68
St. Vincent	—	3.74
St. Kitts	—	4.11
Grenada	—	3.33
Belize	—	4.42
		1,001.54
TOTAL	—	19,913.46

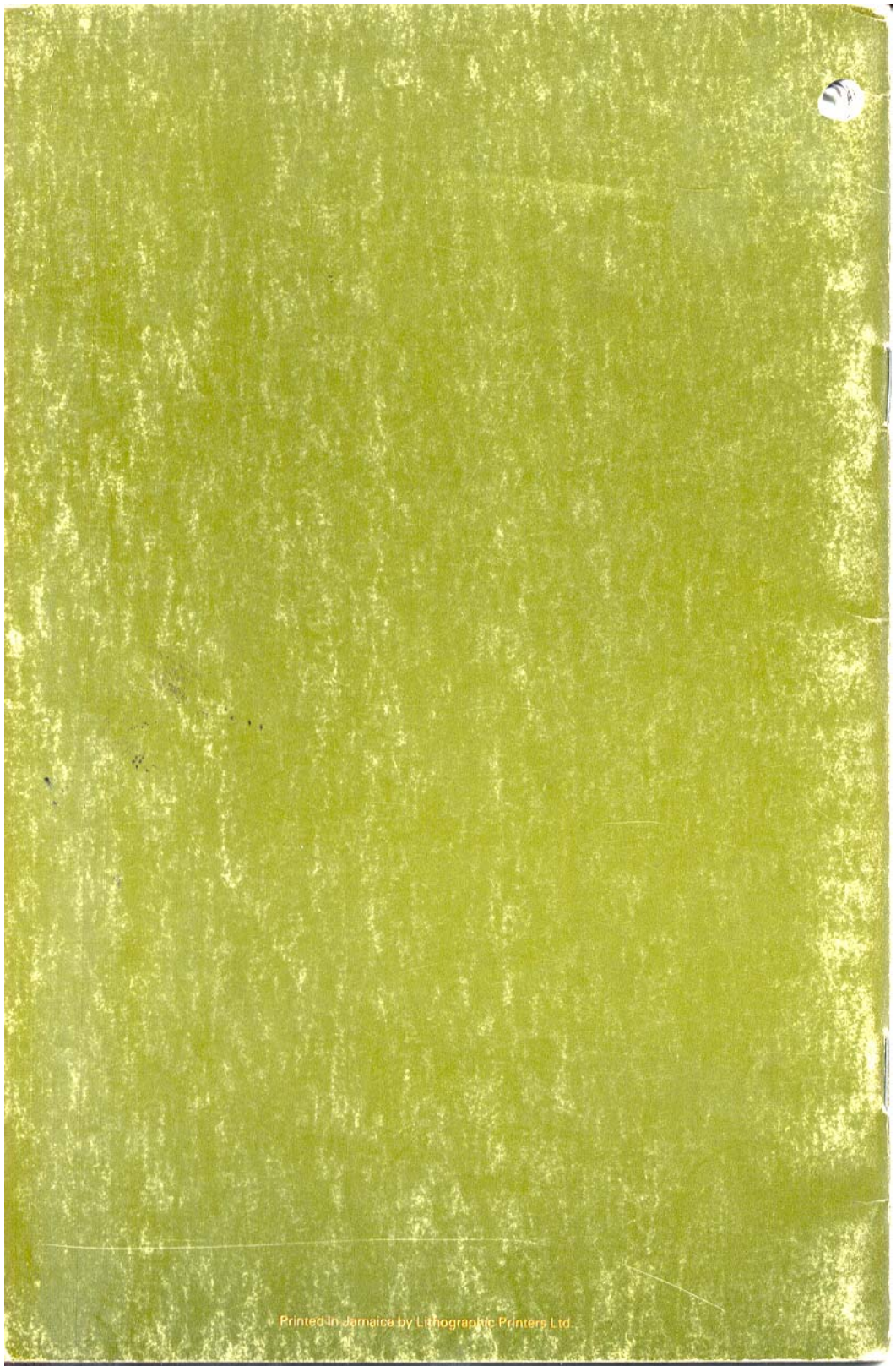
Imports for manufacturers of Soluble and Roasted Coffee —

Trinidad	—	5,217.52 Bags (60 Kilos) Robusta Coffee
Costa Rica	—	1,950.92 Bags (60 Kilos) Arabica Coffee
TOTAL		7,168.44 Bags

Exports of Roasted and Instant Coffee:

To CARICOM Countries	—	791.24 Bags
Others	—	210.30 Bags
TOTAL		1,001.54

*317.52 bags for decaffeination and re-export.



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