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THE COFFEE INDUSTRY

ANNUAL REPORT OF THE COFFEE INDUSTRY BOARD

For the year ended 31st July, 1979

THE BOARD

The Coffee Industry Board was established in June, 1950, under Section 3 of the Coffee Industry Regulation Law Chapter 64 of the Revised Laws of Jamaica. Represented on the Board are Coffee Growers Representatives (3) (nominated by the Jamaica Agricultural Society Coffee Growers Federation Limited), un-official Government (3) and One (1) representative from the Ministry of Agriculture.

The Chairman and all members of the Board are appointed by the Minister.

Members as at the 31st July, 1979 were: —

- Mr. L. R. Mitchell, J.P. — Chairman
- Mr. C. C. Langford, J.P. — Member
- Mr. E. Jones — Member
- Mr. N. Prendergast — Member
- Mr. E. Dunkley, J.P. — Member
- Mrs. A. Stewart, J.P. — Member
- Rev. W. C. Guscott — Member

The Rev. Guscott was appointed vice Mr. C. V. Turnbull during the course of the year.

The members were appointed to serve a period of two years with effect from the 9th April, 1979.

MEETINGS

There were eleven Ordinary Meetings during the year. All meetings were regularly attended by members.

COMMITTEES

The Finance Committee, under the Chairmanship of Mr. Edgar Jones, a Chartered Accountant, met whenever required.

STAFF

The Board's Field Staff is headed by two Agronomists and the Field Supervisors and Field Officers are all graduates of the Jamaica School of Agriculture. These officers are now mostly concerned with the supervision of the Board's Coffee Groves and the monitoring of the plots established by Farmers who received loans from the Board.

Formerly the Board carried a Field Staff to service all coffee growers but this function has been taken over by the Ministry of Agriculture and responsibility in this respect now rests with the Ministry.

The Industry offers a wide range of employment for unskilled, skilled and technical personnel.

PRODUCTION

One Hundred and Seventy-nine Thousand and Twelve (179,012) boxes of Cherry Coffee (one box Cherry Coffee weighs approximately 60 lb.) were delivered to the six (6) Central Factories during the Crop Year August, 1978, to July, 1979, the smallest crop experienced by the Industry over the last ten years.

This small crop is to a great extent the result of the effects of the severe drought experienced during the previous year. Decline in production is also attributed to the shortage of fertilizer, lack of spraying and poor cultural practices.

The Board now has under cultivation approximately 400 acres of coffee. Of this acreage approximately 200 acres are in the Blue Mountain range.

During the year 100 acres were established by farmers from funds made available through the Board.

Coffee plots established with funds from a source in Japan are now coming into bearing and the borrowers are honouring their financial obligations.

It was observed that the Berry Borer pest is spreading to coffee growing areas islandwide and damage to beans was very evident.

OPERATIONS OF CENTRAL FACTORIES

The Board's (6) Central Factories were in operation during the 1978/79 harvesting season, August, 1978, to January, 1979. Details of receivals are set out below:—

	<u>1978/79</u> <u>Receivals</u> <u>[Boxes]</u>	<u>1977/78</u> <u>Receivals</u> <u>[Boxes]</u>	<u>1976/77</u> <u>Receivals</u> <u>[Boxes]</u>
AENON TOWN	14,730	64,231	39,030
BOG WALK	23,429	91,114	51,240
CLARENDON PARK	56,793	27,069	37,871
DOVER	2,879	8,022	4,448
MAGGOTTY	30,993	31,490	28,040
TROUT HALL	<u>50,188</u>	<u>73,790</u>	<u>64,412</u>
	179,012	295,716	225,041

In addition receival at the Co-operatively owned Factory was:

CATADUPA (Processed at Maggotty)	<u>4,555</u>	<u>6,503</u>	<u>4,603</u>
TOTAL	183,567	302,219	229,644

The following table sets out the number of boxes processed at the Board's Six (6) Central Factories during the past five (5) Crop Years.

1974/75	235,985
1975/76	372,719
1976/77	225,041
1977/78	295,716
1978/79	179,012

(The average out-turn of one box Cherry Coffee is approximately 10 lb. clean coffee).

Details of deliveries and disbursement by each Factory are set out in Appendix "A".

For the crop, the Board paid a total of \$24.47 per box. Growers received a total net cash payment of \$24.00 per box — i.e., a first advance of \$12.00 per box and a final payment of \$12.00 per box which was made by the Board after sales of the crop were completed. The Board also paid 5c per box to the Jamaica Agricultural Society to be credited to Growers' Share Capital Account in their respective Co-operative

Societies, 40c to the Co-operatives to subsidize their expenses which include payment to Coffee Collectors, Group Secretaries, Secretaries of Co-operatives etc., and 2c per box to the Jamaica Agricultural Society Coffee Growers' Federation Limited toward 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 by the Board over the last five (5) Crop years is set out below:—

1974-75	—	\$ 7.67
1975-76	—	9.47
1976-77	—	11.75
1977-78	—	20.35
1978-79	—	24.47

The Board receives no Government Subvention nor financing for carrying out its operations.

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. These Co-operative Societies are affiliated to the Jamaica Agricultural Society Coffee Growers' Federation Limited which exercises control over them.

There are Eighteen (18) Co-operative Societies with a total membership of approximately 55,000 organized into 650 Coffee Groups.

The Board makes an annual grant of \$10,000.00 to the Jamaica Agricultural Society to provide Accounting Services for the Co-operatives and also to undertake organizational work within the Industry.

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

CO-OPERATIVES	1978/79 [Boxes]	1977/78 [Boxes]	1976/77 [Boxes]
West St. Ann	4,760	30,940	16,871
East St. Ann	963	10,394	2,911
Upper Trelawny	2,878	12,569	5,505
Frankfield	22,825	63,014	38,285
South Clarendon	13,391	3,256	6,908
North East Clarendon	22,483	19,989	27,711
North Manchester	10,953	28,138	19,010
South Manchester	29,654	14,025	25,920
West St. Andrew	593	3,076	834
Central St. Catherine	10,691	21,049	10,393
North West St. Catherine	23,086	34,942	24,937
Central St. Mary/West Portland	2,209	6,886	4,758
Darliston	1,188	1,673	842
St. Elizabeth	10,566	17,032	12,148
East Portland Area Council	296	625	102
Guy's Hill	3,240	18,575	9,525
Catadupa	4,555	6,210	4,603

BLUE MOUNTAIN FACTORIES:

Moy Hall/Langley	8,234	5,554	7,818
Silver Hill	6,180	6,765	7,402

MARKETING

All Cherry Coffee pulped and washed at the Board's Six Central Factories is finished at the Central Grading and Finishing Works. The types of coffee exported by the Board are: —

Prime Jamaica Washed
High Mountain Supreme
Wallenford Estate Blue Mountain
MBCF Blue Mountain
PCSH Blue Mountain
Langley Blue Mountain

Sales were made on the basis of F.O.B. Kingston, to the Board's buyers in Japan, the United States of America and the United Kingdom.

The Board permits the three factories in the Blue Mountains — Moy Hall, Silver Hill and Mavis Bank Central Factory, a privately owned Factory, to export their own production.

All green coffee used by the local manufacturers must, by law, be obtained from the Board, the export of roasted and soluble coffee by the local manufacturers must be approved by the Board.

The total island production — other than Blue Mountain Coffee — processed and distributed by the Board during the last five Crop Years was as follows: —

	<u>Local Sales</u> <u>[Bags 132 lb.]</u>	<u>Export Sales</u> <u>[Bags 132 lb.]</u>
1974-75	9,243	11,748
1975-76	9,903	17,452
1976-77	6,715	12,989
1977-78	7,606	11,991
1978-79	11,009	10,400

INTERNATIONAL COFFEE ORGANIZATION

Jamaica became a member of the International Coffee Organization in 1967. The Organization was set up under the International Coffee Agreement of 1962 and comprises almost all of the Coffee Exporting Countries and the main consuming countries. The main purpose of the Agreement is 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.

Under the terms of Agreement, member countries are required to submit monthly, quarterly and annual statements covering the exports of all coffee (green, roasted, soluble) undertaken by them.

Destinations and quantities of all coffee exported by Jamaica during the period 1st August, 1978 to 31st July, 1979, are set out below:—

<u>Destination</u>	<u>Quantities Exported</u> <u>[Bags of 60 Kilos]</u>
	<u>GREEN</u>
Japan	11,451.67
United States of America	693.12
United Kingdom	90.72
	<u>12,235.51</u>
	<u>ROASTED</u>
	(Bags of 60 Kilos Green)
Antigua	2.16
Barbados	111.60
Montserrat	2.59
St. Vincent	4.18
Trinidad	8.60
United States of America	38.24
	<u>167.37</u>
	<u>SOLUBLE</u>
	(Bags of 60 Kilos Green)
Barbados	292.91
Canada	28.78
Guyana	259.23
St. Kitts	5.24
St. Vincent	53.36
Trinidad	98.65
United States of America	48.47
Montserrat	11.05
St. Lucia	2.38
Belize	4.59
	<u>804.66</u>
TOTAL	<u>13,207.54</u>

ACKNOWLEDGEMENTS:

The Board records its deep appreciation for the loyalty and devotion displayed by the officers and staff at the Central Grading and Finishing Works, Central Factories and in the Field. The Board is cognizant of the fact that the Officers perform their duties under extremely difficult conditions at times.

The Board expresses thanks to all growers for their support and faith in the industry.



COFFEE INDUSTRY BOARD
DEVELOPMENT AND EXTENSION SERVICES DIVISION

Balance Sheet
31st July, 1979

	<u>1979</u>	<u>1978</u>
FIXED ASSETS	196,143	<u>149,029</u>
LONG TERM LOANS		
To coffee growers (secured)	456,629	<u>309,314</u>
INVESTMENTS	101,654	<u>148,537</u>
CURRENT ASSETS		
Inventories	254,868	31,036
Accounts receivable and prepaid expenses	93,190	39,849
Cash and bank balances	<u>15,308</u>	<u>24,932</u>
Total current assets	<u>363,366</u>	<u>95,817</u>
LESS CURRENT LIABILITIES		
Accounts payable and accrued charges	10,105	13,412
Bank overdraft	<u>38,456</u>	—
Total current liabilities	<u>48,561</u>	<u>13,412</u>
Net current assets	314,805	<u>82,408</u>
	<u>\$1,069,231</u>	<u>689,285</u>
Financed By:		
GENERAL SURPLUS	446,776	209,984
AMOUNT DUE TO COFFEE INDUSTRY BOARD		
Japanese loan scheme	466,998	201,256
Other	<u>155,457</u>	<u>278,045</u>
	622,455	<u>479,301</u>
On behalf of the Board		
<u>L. R. Mitchell</u> Chairman		
P. L. Meghoo General Manager		
	<u>\$1,069,231</u>	<u>689,285</u>