



COFFEE INDUSTRY BOARD

ANNUAL REPORT

FOR YEAR ENDED 31ST JULY, 1987

37 YEARS OF THE COFFEE INDUSTRY BOARD

Development Programme

Commonwealth Development Corporation (CDC) 3,000 acres Blue Mountain Coffee Loan Programme:-

This programme which is guaranteed by the Government of Jamaica continued to be administered by CIDCo. For the year, CIDCo established 147 acres of coffee on its farms while the private farmers under the programme established 281.5 acres making a total of 428.75 acres established for the year and a cumulative total to 31st July, 1987 of 2355.5 acres or 78.5% of the 3,000-acre target. (CIDCo had established 1,108 acres of its target of 1,330 acres while private farmers had established 1,247.5 acres of their 1,670 acres target). Planting was behind schedule because of shortage of seedlings.

Claverty Cottage/Shirley Castle Programme (CC/SC) 3,500 acres Blue Mountain Loan Programme

For the year a total of 259.75 acres were established (40 acres by CIDCo of its programme target of 400 acres as a mother farm and 219.68 acres by private farmers of their programme target of 3,100 acres).

The progress of the programme had been slower than was expected because of the difficulty farmers had in providing the required security for their loans.

This is an integrated programme under which roads will be upgraded and new ones constructed. The water supply system for the area is to be extended and electricity will also be put into the area as well as the putting in of infrastructure for a new village.

In the year under review, approximately 3.05 miles of roadway at Church Hill in the parish of Portland were upgraded and the CIB's Central Grading and Finishing Works was upgraded and expanded to process up to 6.5m lbs. of coffee annually compared to the former capacity of 4.5m lbs. The offices occupied by the CIB's subsidiary CIDCo were also improved.

EEC 1,500 acres of Lowland Coffee Development Programme

Implementation of this programme began during the Autumn of 1986 which is the main coffee planting season. CIDCo completed establishment of its mother farm of 50 acres at Seven Rivers in the parish of St. James while small farmers established 53 acres, making the total acreage 103 established for the year.

Dyoll Wataru Joint Venture/150 acre farm at St. Andrew

CIDCo continued to manage this joint venture development and, although the target for establishment for the year was 100 acres, only 50 acres were actually established. The under-achievement of 50% of the target was due to drought and shortage of seedlings.

Nursery Programme

The CIB's national coffee nursery programme fell well below its distribution target of 2.4m seedlings as only 1,805,043 (75%) were distributed during the year.

Operations at the Central Factories

Receivals of cherry coffee at the Board's central factories during the year under review are set out below:-

<u>Factory</u>	<u>Receivals</u>	
	<u>85/86 Boxes</u>	<u>86/87 Boxes</u>
Aenon Town	31,106	31,276
Bog Walk	61,768	73,792
Clarendon Park	47,659	53,851
Maggotty	46,541	25,888
Trout Hall	<u>77,118</u>	<u>60,603</u>
Total	<u>263,588</u>	<u>245,410</u>

Coffee Co-operatives

The 19 Co-operatives continued sending to the Coffee Industry Board coffee produced by their estimated 50,000 members. Coffee supplies from these Co-operatives to the Board are set out below:-

<u>Co-operatives</u>	<u>Boxes</u>		
	<u>1984/85</u>	<u>1985/86</u>	<u>1986/87</u>
Catadupa	6,926	10,005	3,364
Central St. Catherine	9,615	17,536	16,500
Central St. Mary	6,116	4,447	9,057
Darliston	1,008	2,159	501
East St. Ann	6,362	3,094	6,113
Frankfield	31,792	46,605	34,172
Guys Hill	15,057	8,996	15,487
North Manchester	11,777	15,137	14,348
N/E Clarendon	17,253	28,080	23,657
N/W St. Catherine	20,162	25,555	34,403
St. Elizabeth	4,847	15,842	7,233
South Clarendon	8,043	6,581	7,762
South Manchester	15,981	25,422	21,495
Trelawny	6,508	4,314	2,486
West St. Andrew	883	1,883	1,510
West St. Ann	<u>16,044</u>	<u>12,560</u>	<u>12,507</u>
	<u>177,374</u>	<u>228,216</u>	<u>210,595</u>

1 box = 60 lbs cherry coffee

Price to Farmers

The net prices paid by the CIB to farmers for the 86/87 crop were J\$210 per box for Blue Mountain Coffee and J\$70 per box for Lowland coffee compared to J\$222 for Blue Mountain and J\$63 for Lowland coffee in the previous year.

The reduction in the 86/87 Blue Mountain coffee price was due to a lower out-turn of exportable quality beans because of the severe drought during the year and high transportation costs because of the bad road conditions in the Blue Mountain area. The increase in the Lowland price to growers was due to an increase in the exportable percentage of this coffee as a result of improved cultural practices by farmers.

Farmers received a first payment of \$80 per box for Blue Mountain Coffee and \$26 for Lowland coffee.

The CIB continued to pay farmers and Co-operatives on a quality incentive basis.

Industry Cess

An industry cess of \$37.08 on each box of Blue Mountain coffee and \$16.29 for Lowland coffee was charged by the CIB on the 86/87 crop. This cess was used to assist in paying for the cost of administration, extension, nursery and the national Coffee Berry Borer control programmes.

Marketing

Jamaica continued to be a member of the International Coffee Organisation (ICO).

Demand for Jamaican coffee overseas remained high. Export sales for the year under review totalled 15,600 bags* valued at US\$7,095,333 while local sales totalled 10,442 bags* valued at J\$15,121,319. Total coffee sales (export and local) were J\$52,763,509.

Comparative figures for the CIB's sales and value of sales over the last 5 years are set out below:-

Crop Year	Local Sales (132 lb bags)	Value J\$	Export Sales (132 lb bags)	FOB Value US\$
82/83	11,828	5,484,622	13,427	4,710,090
83/84	10,058	6,560,265	18,600	6,214,104
84/85	8,811	9,139,508	13,500	20,523,297
85/86	7,898	10,929,012	16,455	42,963,208
86/87	10,442	15,121,319	15,600	1,095,333

*The CIB continued to export coffee to its traditional buyers in Japan, U.S.A. and the U.K.

Local roasters continued their efforts to export roasted coffee to the USA and Canada, but their main efforts were placed on the USA market.

* 1 bag = 132 lbs/60 kilos

COFFEE INDUSTRY BOARD
FINANCIAL STATEMENTS
31st JULY 1987

**REPORT OF THE AUDITORS TO THE MEMBERS OF
THE COFFEE INDUSTRY BOARD**

We have examined the financial statements set out on pages 8 to 22 and have obtained all the information and explanations which we required. Our examination was made in accordance with generally accepted auditing standards and included such tests of the accounting records and such other auditing procedures as we considered necessary.

In our opinion, proper accounting records have been maintained and the financial statements, which are in agreement therewith, give a true and fair view of the state of affairs of the Coffee Industry Board and its subsidiary at 31st July 1987 and of the results of the operations and the changes in financial position of the group for the year then ended and comply with the provisions of the Coffee Industry Regulations Act.

Kingston, Jamaica
May 5, 1988

PEAT MARWICK MITCHELL
Chartered Accountants

