



# **COFFEE INDUSTRY BOARD**

## **ANNUAL REPORT**

FOR YEAR ENDED 31ST JULY, 1996

46 YEARS OF THE COFFEE INDUSTRY BOARD

Coffee Industry Board  
Central Grading and Finishing Works  
Marcus Garvey Drive, Kingston  
Jamaica, W.I.

To the Hon. Minister of Agriculture:

It is with honour that I submit on behalf of the Members of the Coffee Industry Board the Annual Report and Statement of Accounts for the year ended 31st July, 1996.

Douglas Graham  
Chairman

## COFFEE INDUSTRY BOARD

### ANNUAL REPORT for the year ended July 31, 1996

#### INTRODUCTION:

The Board is appointed by the Minister of Agriculture in accordance with Section 14 of the Coffee Industry Regulation Act of 1948. It consists of 9 Members: (5 Growers' Representatives and 4 nominated Members).

A new Board was appointed with effect from July 1996, the Members are:

Messrs	Douglas Graham	-	(Chairman)
	Warrington Williams		
	Donald Menzies		
	Morin Seymour	)	Coffee Council Representative
	Graham Dunkley	)	Coffee Council Representative
	Courtney Fletcher	-	JAS Coffee Federation Representative
	Augustine Sinclair	-	JAS Coffee Federation Representative
Mrs	Alvira Stewart	-	JAS Coffee Federation Representative

During the year twelve (12) regular meetings and two (2) special meetings were held and they were well attended.

#### STAFF

Ms Lucille Peterkin was employed as Chief Accountant with effect from December 11, 1995.

In an effort to reduce cost of operations, the CIB carried out a restructuring exercise resulting in a total of 43 positions being made redundant within the Extension, Production and Administration Departments during the months of December 1995 and July 1996.

#### ACKNOWLEDGEMENT

The Board takes this opportunity to record its appreciation of the dedication and loyalty displayed by its employees and of the assistance and cooperation of coffee growers and related organizations which contributed to the progress of the industry during the year.

#### PRODUCTION AND DEVELOPMENT

For the year under review, total coffee production was 561,725 boxes of cherry coffee (339,398 boxes of Blue Mountain and 222,327 boxes of Lowland coffee) compared to 568,661 boxes of cherry coffee produced in the previous year.

The 1.22% decline in the production of the previous year was due to a 15% reduction in the Lowland crop unlike the Blue Mountain crop which saw an 8% increase in production. The increased production in the Blue Mountain area was due to the successful completion of the 3,500 acre (1,417 hectares) Claverty Cottage/Shirley Castle Coffee Development Project.

The production of Lowland coffee continued to decline. This decline was the result of the unavailability of development funds for the many co-operative farmers as well as small multi-crop farms going out of production because of the advanced age of the owners of these holdings.

**CLAVERTY COTTAGE/SHIRLEY CASTLE (CC/SC) 3,500-ACRE  
(1,417 HECTARES) COFFEE DEVELOPMENT PROJECT:**

For the year under review a total of 84 acres (34 hectares) of coffee was established under the project which brought the accumulated total to 3,520 acres (1,425 hectares), showing an increase of 20 acres (8.1 hectares) above the planned target of 3,500 acres (1,417 hectares). This additional planting was the result of young farmers being leased small acreages (2 – 5 acres) (0.8 – 2.0 hectares) for coffee development in order to encourage young persons to become farmers to replace those who had gone out of farming because of old age.

The successful completion of this project has resulted in a significant increase in Blue Mountain coffee production and full employment of labour in this area.

**EEC 1,500-ACRE (607.3 HECTARES) COFFEE DEVELOPMENT  
PROGRAMME:**

This programme ended in 1993. Farmers who had received funding under this programme produced approximately 34,461 boxes of cherry coffee for the year under review. Although there was new production from this programme, coffee growers located in the areas outside of the Blue Mountains continued to decline as an increasing number of very small farmers dropped out of coffee production because of old age and high cost of farm inputs.

**UCC COFFEE DEVELOPMENT PROGRAMME:**

This programme was funded by the Ueshima Coffee Company of Japan (UCC) and was specifically geared at fostering increased large scale development in coffee growing areas outside of the Blue Mountains.

At the end of the crop year a total of 388 acres (157 hectares) had been established by 15 farmers under this programme. They produced 15,000 boxes of coffee during the year.

#### HILLSIDE AGRICULTURAL PROJECT (HAP):

The 4 sub-projects which were being implemented by the CIB were very well received by farmers in the respective areas:

- (a) East St Ann
- (b) West St Ann
- (c) North West Portland; and
- (d) West St Andrew

These sub-projects of HAP were funded by the United States Agency for International Development (USAID) and the CIB. Under these sub-projects participating farmers received technical assistance and coffee growing materials as grants rather than cash and they provided their labour as their contribution to the project.

(The project ended on December 31, 1996.)

#### NURSERY PROGRAMME

1.155 million seedlings were distributed to farmers during the year under review.

Production at the CIB's three (3) nurseries located at Peters Hill in the Parish of Portland, Seven Rivers in the Parish of St James and Chudleigh in the Parish of Manchester was approximately 165,000 seedlings while production at the private nurseries was estimated at 990,000 seedlings. Production of seedlings during the year was below the requirement of farmers because of the considerable increase in demand due to the very quick and enthusiastic acceptance of the HAP projects by small coffee growers.

#### OPERATIONS AT CIB'S CENTRAL PULPERIES

<b>PULPERIES</b>	<b>1993/94</b>	<b>1994/95</b>	<b>1995/96</b>
<b>Lowland</b>	<b>(boxes)*</b>	<b>(boxes)</b>	<b>(boxes)</b>
Aenon Town	19,984	41,853	42,669
Bog Walk	24,744	68,757	53,331
Clarendon Park	27,521	42,754	23,594
Maggotty	37,084	46,962	66,093
Trout Hall	11,980	48,628	21,016
<b>Private Pulperies</b>			
Baron Hall	<u>8,200</u>	<u>12,900</u>	<u>15,624</u>
	<u>129,513</u>	<u>261,854</u>	<u>222,327</u>
Annual Change (%)		102.2	-15.1

\*(1 box is approximately 60 lbs = 27.22 kg of cherry coffee)

<b>PULPERIES</b>	<b>1993/94</b>	<b>1994/95</b>	<b>1995/96</b>
<b>Blue Mountain</b>	<b>(boxes)*</b>	<b>(boxes)</b>	<b>(boxes)</b>
Wallenford	114,205	196,807	230,846
<b>Private Pulperies</b>			
Mavis Bank	79,895	80,000	88,522
Moy Hall	10,900	30,000	20,030
<b>Total</b>	<u>205,000</u>	<u>306,807</u>	<u>339,398</u>
Annual Change (%)		49.67	10.62

\*(1 box is approximately 60 lbs = 27.22 kg of cherry coffee)

#### PULPERIES

The five (5) pulperies which are located in the areas outside of the Blue Mountains continued to receive decreasing amounts of coffee as a result of small farmers going out of production and the adverse weather conditions and problems of management being experienced at some of the Co-operatives which supply coffee to these pulperies. The low throughput at these CIB pulperies adversely affected the operations at the CIB resulting in increased cost of operations and high overhead costs. During the year, however, the Wallenford pulperery which operates during the whole year received increased supplies of cherry coffee mainly because of the recently established farms coming into production as well as increased productivity generally in the Blue Mountain area. The closure of the Silver Hill factory which is owned by the Portland Blue Mountain Coffee Co-operative also resulted in more coffee being sent to the Wallenford Pulperery.

#### LOWLAND COFFEE CO-OPERATIVES

Supplies of cherry coffee by the 16 Lowland co-operatives to the CIB is set out below:

<b>CO-OPERATIVE</b>	<b>YEAR</b>	<b>YEAR</b>	<b>YEAR</b>
	<b>1993/94</b>	<b>1994/95</b>	<b>1995/96</b>
	<b>(boxes)</b>	<b>(boxes)</b>	<b>(boxes)</b>
Catadupa	5,455	6,158	7,217
Central St Catherine	2,546	10,806	7,625
Central St Mary	191	1,012	282
Darliston	5,503	6,497	7,532
East St Ann	1,213	4,517	1,417
Frankfield	8,281	30,835	10,252
Guys Hill	1,250	5,041	2,791
North Manchester	7,409	10,968	9,722
N/E Clarendon	4,409	16,858	8,327

CO-OPERATIVE	YEAR	YEAR	YEAR
	1993/94 (boxes)*	1994/95 (boxes)	1995/96 (boxes)
N/W St Catherine	1,305	14,528	10,587
St Elizabeth	6,073	5,190	8,394
South Clarendon	2,993	5,525	2,857
South Manchester	9,520	18,494	8,770
Trelawny	2,527	4,063	3,909
Western St Andrew	174	505	663
Western St Ann	4,685	8,803	6,079
<b>TOTAL</b>	<b>63,534</b>	<b>149,800</b>	<b>96,424</b>
Annual Change (%)		135.8	-35.6

\* 1 box = 60 lbs. (27.22 kg of cherry coffee)

Coffee production from these Co-operatives was 35.6% below that for the previous year mainly because of prolonged rains during the peak of the reaping season, biennial bearing, tight and expensive credit and the increasing age of Lowland farmers which resulted in many of them abandoning their farms. The problems of management at some of these Co-operatives also resulted in a number of the more productive farmers moving away from the Co-operatives and selling their coffee directly to the CIB's pulperies.

#### PRICE TO FARMERS

For the 1995/96 crop the Board paid a net average of \$900 per box of Lowland cherry coffee and \$1,700 per box for Blue Mountain cherry coffee. These prices were the same as those paid in the previous year as there was no increase in the exportable out-turn of the coffee and export prices were maintained at the same level as in the previous year.

#### INDUSTRY CESS

For the year under review the industry cess remained at \$91.00 per box for Blue Mountain cherry coffee and \$53.00 per box for Lowland cherry coffee even though the returns were inadequate to cover the cost of CIB's services to the industry.

#### MARKETING

During the year under review the Board continued to regulate local and export sales of coffee in accordance with the Coffee Industry Regulation Act (1953). As the sole exporter of green coffee from Jamaica, the CIB continued to arrange exports of green coffee from Jamaica. Traditionally, approximately 70% of national production is exported and the remainder is sold to the local trade.

For the year, Jamaica's coffee continued to be exported principally to Japan, the United States of America and the United Kingdom, while a small amount was exported to CARICOM.

The industry exported 24,754 bags\* (60 kg) of coffee during the years, for which it secured some US\$26.4 million. These sales compared favourably with those of the previous year which valued US\$26.3 million. Local sales, which included roasted and soluble coffee manufactured by the industry's local roasters and processors, amounted to 11,037 bags valued at J\$88.5 million.

The policy of de-regulation (1983) has resulted in some problems for the marketing of Jamaican coffee. In addition, the continued liberalisation of the Jamaican economy was not seen to be in the best interest of the coffee industry. In an effort to alleviate the problems facing the industry, representations were made to the Government during the year for the CIB to obtain exemption from the Fair Competition Act.

#### PROMECAFE

During the year under review, two of CIB's technical Officers, Messrs Lenworth Henry, Eastern Regional Manager – Extension Department, and Errol South, Farm Supervisor, presented papers at a Seminar held by PROMECAFE in El Salvador from October 23 to 27, 1995 on the Agro-ecological conditions of the Blue Mountain Regions of Jamaica and the Organisation and Structure of the Jamaican Coffee Industry. These papers were published in PROMECAFE's Bulletin April 1996 – July 1997.

Messrs Louis Campbell, the CIB's Soil Conservation Specialist, and Desmond Jones of CARDI were trained in the use of biological techniques for the control of the Coffee Berry Borer in Honduras from May 6 to 31, 1996. This training will enable them to participate in the establishment of a CIB Laboratory for the rearing of parasitoids (biological agents for controlling the Coffee Berry Borer) to enable the CIB to assist coffee farmers to begin biological control of pests affecting their farms.

\*1 bag = 60 kg



