



# **COFFEE INDUSTRY BOARD**

## **ANNUAL REPORT**

FOR YEAR ENDED 31ST JULY, 1998

48 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, 1998.

Douglas Graham  
Chairman

## **COFFEE INDUSTRY BOARD**

### **ANNUAL REPORT for the year ended July 31, 1998**

#### **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 a maximum of nine (9) Members (5 Growers' Representatives and 4 nominated Members).

The Members of the Board were:

|        |                |   |          |
|--------|----------------|---|----------|
| Messrs | Douglas Graham | - | Chairman |
|        | Donald Menzies |   |          |
|        | Graham Dunkley |   |          |
|        | Morin Seymour  |   |          |
|        | Athol Smith    |   |          |
|        | Alva Anderson  |   |          |
| Mrs    | Alvira Stewart |   |          |

The term of office of this Board was extended to January 31, 1998 and two new Members, Messrs Athol Smith and Alva Anderson were appointed to the Board.

A new Board was appointed with effect from July 1, 1998, for a period of two (2) years, the Members were:

|        |                 |   |   |
|--------|-----------------|---|---|
| Messrs | Richard Downer  | - | Chairman  |
|        | Bruce Terrier   |   |   |
|        | Morin Seymour   |   |   |
|        | Graham Dunkley  | - | Coffee Council Representative                                   |
|        | Oswald O'Meally | - | All Island Jamaica Coffee Growers<br>Association Representative |

#### **ACKNOWLEDGEMENT**

The Board takes this opportunity to record its appreciation of the loyalty and dedication displayed by its employees and of the assistance and co-operation of all coffee growers and related organizations which contributed to the industry's operations during the year.

#### **PRODUCTION AND DEVELOPMENT PROGRAMME**

National coffee production for the year under review was 618,560 boxes of cherry coffee (378,155 boxes of Blue Mountain and 240,405 boxes of Lowland coffee).

This represented a decline in national production as the parish of Portland experienced severe flooding in the month of January 1998. There was nevertheless a 26% increase in the production of Lowland coffee over the previous year moving from 189,989 boxes to 240,405 boxes. This was due to more favourable climatic conditions and the effects of the Lowland (Short-term) Coffee Project.

#### **CLAVERTY COTTAGE/SHIRLEY CASTLE (CC/SC) COFFEE DEVELOPMENT PROJECT**

The crop year 1997/98 represented the final year of maintenance activities in accordance with the terms and conditions of the project agreement.

Most of the farms under this project were being maintained in reasonably good condition; however, a few of them were at various stages of neglect or had been totally abandoned mainly because of the progressive deterioration of access roads to the farms.

Production under the project was estimated at 150,000 boxes, and accounts for approximately 40% of the overall Blue Mountain production. Its contribution was expected to increase for the next three crop years as newly established acreages began coming into economic production.

#### **LOWLAND (SHORT-TERM) COFFEE PROJECT**

The project began in February 1997 and was implemented in all parishes except St Andrew, St Thomas and Portland. The project consists of a Fertilizer Revolving Credit Scheme, Coffee Rehabilitation as well as New Planting and is aimed at increasing lowland coffee production by 46% over the three-year period to 1999/2000.

During 1997/98 crop year approximately 606 tonnes of fertilizers with an approximate value of J\$2.79 million were distributed to farmers under this project. Of the projected 16.00 hectares and 20.00 hectares respectively for rehabilitation and planting of coffee, 13.25 hectares were rehabilitated and 13.76 hectares of new acreage of coffee were planted. The target for the year under review was not achieved because of the late start of the project in some areas and farmer apathy.

#### **NURSERIES**

Approximately 900,000 seedlings were produced in private sector nurseries. The Morant/Yallahs Agricultural Development Project utilized approximately 300,000 of these seedlings and the remaining 600,000 were taken up by other coffee farmers to rehabilitate and expand their existing farms.

## OPERATIONS AT CIB's CENTRAL FACTORIES & PRIVATE FACTORIES

| Pulperly                    | 1997/98        |               | 1996/97        |               | 1995/96        |               |
|-----------------------------|----------------|---------------|----------------|---------------|----------------|---------------|
|                             | Boxes          | Tonnes        | Boxes          | Tonnes        | Boxes          | Tonnes        |
| <i>Lowland Coffee</i>       |                |               |                |               |                |               |
| Aenon Town                  | 46,645         | 1,272         | 37,071         | 1,011         | 42,669         | 1,164         |
| Bog Walk                    | 58,430         | 1,594         | 47,930         | 1,307         | 53,331         | 1,454         |
| Clarendon Park              | 19,688         | 537           | 19,952         | 544           | 23,594         | 643           |
| Maggotty                    | 71,128         | 1,940         | 42,576         | 1,161         | 66,093         | 1,803         |
| Trout Hall                  | 29,455         | 803           | 24,959         | 681           | 21,016         | 573           |
| <i>Private Pulperly</i>     |                |               |                |               |                |               |
| Baron Hall                  | 15,059         | 411           | 17,501         | 477           | 15,624         | 426           |
| <b>Sub-Total</b>            | <b>240,405</b> | <b>6,557</b>  | <b>189,989</b> | <b>5,181</b>  | <b>222,327</b> | <b>6,063</b>  |
| <i>Blue Mountain Coffee</i> |                |               |                |               |                |               |
| Wallenford (CIB)            | 220,062        | 6,002         | 279,947        | 7,635         | 230,846        | 6,296         |
| *Albany (CIB)               | 31,618         | 862           | -              | -             | -              | -             |
| Mavis Bank (Private)        | 124,475        | 3,395         | 124,000        | 3,382         | 88,522         | 2,414         |
| **Moy Hall (Private)        | -              | -             | 43,000         | 1,173         | 20,030         | 546           |
| <b>Sub-Total</b>            | <b>376,155</b> | <b>10,259</b> | <b>446,947</b> | <b>12,190</b> | <b>339,398</b> | <b>9,256</b>  |
| <b>Grand Total</b>          | <b>616,560</b> | <b>16,816</b> | <b>636,936</b> | <b>17,371</b> | <b>561,725</b> | <b>15,319</b> |

\*In November 1997, operations commenced at the CIB's newly constructed pulperly at Albany which is sited in the parish of Portland and was constructed under the Blue Mountain Coffee Development Project.

\*\*During the year, operations at the Moy Hall coffee factory were discontinued due to the investigation that was being conducted by the Co-operative Department into the operations of the Blue Mountain Coffee Growers Co-operative, the owner of the factory.

### LOWLAND COFFEE CO-OPERATIVES

Supplies of coffee by the 16 Lowland Co-operatives to the CIB over a three-year period are set out below:

| CO-OPERATIVE          | 1997/98 |        | 1996/97 |        | 1995/96 |        |
|-----------------------|---------|--------|---------|--------|---------|--------|
|                       | Boxes   | Tonnes | Boxes   | Tonnes | Boxes   | Tonnes |
| Catadupa              | 6,632   | 181    | 4,763   | 130    | 7,217   | 197    |
| Central St. Catherine | 8,608   | 235    | 8,664   | 236    | 7,625   | 208    |
| Central St. Mary      | 498     | 14     | 167     | 5      | 282     | 8      |
| Darliston             | 9,664   | 264    | 6,264   | 171    | 7,532   | 205    |

| CO-OPERATIVE        | 1997-98               |                     | 1996-97              |                     | 1995/96              |                     |
|---------------------|-----------------------|---------------------|----------------------|---------------------|----------------------|---------------------|
|                     | Boxes                 | Tonnes              | Boxes                | Tonnes              | Boxes                | Tonnes              |
| East St. Ann        | 2,057                 | 56                  | 1,153                | 31                  | 1,417                | 39                  |
| Frankfield          | 16,672                | 454                 | 14,132               | 385                 | 10,252               | 279                 |
| Guys Hill           | 2,805                 | 77                  | 1,686                | 46                  | 2,791                | 76                  |
| North Manchester    | 9,460                 | 258                 | 5,513                | 150                 | 9,722                | 265                 |
| N. E. Clarendon     | 10,015                | 273                 | 7,931                | 216                 | 8,327                | 227                 |
| N. W. St. Catherine | 11,269                | 307                 | 8,206                | 232                 | 10,587               | 289                 |
| St. Elizabeth       | 7,204                 | 196                 | 3,949                | 108                 | 8,394                | 229                 |
| South Clarendon     | 2,371                 | 65                  | 3,261                | 89                  | 2,857                | 78                  |
| South Manchester    | 5,271                 | 143                 | 6,645                | 181                 | 8,770                | 239                 |
| Trelawny            | 4,790                 | 131                 | 2,445                | 67                  | 3,909                | 107                 |
| Western St. Andrew  | 891                   | 24                  | 231                  | 6                   | 663                  | 18                  |
| Western St. Ann     | 8,551                 | 233                 | 4,131                | 113                 | 6,079                | 166                 |
| <b>Grand Total</b>  | <b><u>106,758</u></b> | <b><u>2,911</u></b> | <b><u>79,141</u></b> | <b><u>2,166</u></b> | <b><u>96,424</u></b> | <b><u>2,630</u></b> |

1 box of coffee is approximately 60 lbs or 27.27 kilograms.

Coffee deliveries by the Co-operatives increased by approximately 35% over the 1996/97 crop year. This increase was attributed to the climatic conditions experienced throughout most of the lowland coffee growing areas as there was enough precipitation to sustain good coffee production, as well as the provision of fertilizer inputs under the Fertilizer Revolving Credit Scheme.

#### PRICE TO FARMERS

The price paid to farmers for Blue Mountain coffee was \$1,650 per box of Blue Mountain coffee and \$840 per box of Lowland coffee compared to \$1,700 per box for Blue Mountain and \$900 per box for Lowland coffee in the previous year. The decrease in the prices paid for the 1997/98 crop year was due to the poor quality of the beans resulting in high levels of coffee which did not meet the CIB's export standards. The decline in quality was due to the high incidence of small and under-developed beans and beans damaged by the berry borer pest.

#### INDUSTRY CESS

The industry cess for 1997/98 remained at \$53.00 and \$91.00 per box for Lowland and Blue Mountain coffee, respectively.

#### MARKETING

The 1997/98 crop had an unprecedented level of unexportable coffee which was the result of a high incidence of light coffee as well as berry borer damage. The crop was also hampered by the economic decline in the Asian market and the resultant sluggish sales of coffee to that market. There was also a lack of working capital in the industry resulting in inadequate funds for proper crop care and timely

payment to farmers.

Export earnings for the 1997/98 crop were valued at US\$19.2 million compared to US\$34.5 million in the previous year. Total earnings from export and local sales amounted to J\$830.0 million, which was 36% less than the J\$1.3 billion earned in 1996/97.

The CIB successfully concluded marketing arrangements for complete disposal of its inventories for the 1997/98 crop.

#### **FARM REGISTRATION**

Registration of coffee farms island-wide recommenced during the 1997/98 crop year. Approximately 24,714 farms were registered and the relevant information prepared and submitted to buying depots. Registration was being expedited to enable the CIB to institute the purchasing of coffee from registered farmers only.

#### **PROMECAFE**

A technical consultative meeting of PROMECAFE was held in June 1998 in Nicaragua and was attended by Messrs Alford Williams, Manager of Extension & Research and Lenworth Henry, Regional Extension Manager.

Messrs Alford Williams, Manager of Extension & Research and Louis Campbell, Soil Conservation & Research Officer, represented the CIB at the second Intercontinental Conference on coffee berry borer which was held in Tapachula, Chiapas, Mexico from March 29 to April 2, 1998.

