

ANNUAL REPORT AND AUDITED FINANCIAL STATEMENTS FOR
THE COCONUT INDUSTRY BOARD FOR THE YEAR ENDED
DECEMBER 31, 2012

The matter for tabling in the Houses of Parliament is the Annual Report and Audited Financial Statements of the Coconut Industry Board for the year ended December 31, 2012. This report will be tabled in accordance with the provisions of Section 27 of the Coconut Industry Control Act.

2. PROFILE OF THE LOCAL INDUSTRY

It should be noted that the number of hectares in coconuts at 31st December, 2012 was calculated as 15,416 (December 31, 2011 – 15,367), while the number of hectares in bearing coconuts at the same date was calculated as 14,465 (December 31, 2011 – 14,317).

The total population of coconut trees as at December 31, 2012 was calculated as 3,437,737 (December 31, 2011 – 3,399,522). Of this total population of trees, 3,159,453 were seven years old and over (December 31, 2011 – 3,144,448) and should have been in full bearing. However, due to weather conditions and faulty agronomic practices, some of the trees were not bearing.

At December 31, 2012 the majority of coconut farms were smaller than ten hectares; hence coconut is essentially a small holder's crop.

3. PRODUCTION

Coconut production during the year recorded a figure of 96.4 million nuts (year 2011 – 95.0 million nuts). The value of coconuts produced for 2012 at the average price (\$32/nut) paid for coconuts during the year was \$3.08 billion.

Coconut production for the year was again adversely affected by the lack of fertilizer, improper agronomic practices and the death of bearing coconut trees from lethal yellowing and other diseases and to a lesser extent by Hurricane Sandy.

4. DISPOSAL

The major portion of the crop produced in 2012 was disposed of through bottlers of jelly coconut water, the Coconut Industry Board, higglers, producers of coconut oil and supermarkets.

Coconuts which were disposed of through the channels of the Board during 2012 and the four preceding years are as follows:

	<u>N U T S</u>					
	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>TOTAL</u>
	'000	'000	'000	'000	'000	'000
St. Elizabeth	40	76	52	30	191	389
St. Thomas	161	197	144	140	125	767
Portland	74	73	72	91	90	400
St. Mary	425	548	543	575	717	2,808
St. Ann	1	6	-	3	-	10
St. Catherine	18	7	5	2	6	38
	<u>719</u>	<u>907</u>	<u>816</u>	<u>841</u>	<u>1,129</u>	<u>4,412</u>

5. THE COCONUT SHOP

The Board purchased 756,127 jelly coconuts at a cost of \$27,443,653 during the year (690,076 at a cost of \$24,632,461 in year 2011), for sale in its coconut shop at 18 Waterloo Road, Kingston 10.

The shop continued to be a significant market for the purchase and sale of growers' coconuts.

6. EXPORTS

The Board exported seed coconuts to Florida in the United States of America and the Bahamas during the year.

The total number of seed coconuts exported in 2012 was 30,000 at a F.O.B. value of US\$90,725. The volume of seed coconuts exported in 2012 represented a reduction of 26.83% from the 41,000 seed nuts which were exported in the previous year.

The reduction in export was due mainly to the economic recession in the United States of America, which effectively reduced the demand for imported coconut seeds in Florida, Jamaica's largest market.

Export of seed coconuts during the five years ended 31st December, 2012, was as follows:

<u>Year</u>	<u>Number Exported</u>	<u>F.O.B. Value (US\$)</u>
2008	51,000	100,716.00
2009	2,000	4,725.00
2010	53,000	119,415.00
2011	41,000	92,655.00
2012	30,000	90,725.00
<u>Total</u>	<u>177,000</u>	<u>408,236.00</u>

7. WINDSTORM INSURANCE FUND

The Fund continued to indemnify coconut growers against loss of bearing coconut trees to windstorm.

The liability for windstorm insurance damage during the year 2012 was \$73,769,000 (2011 - \$72,059,000); the maximum coverage per tree remained at \$1,000.00.

The finances of the Windstorm Insurance Fund are kept separately from the funds of the Board and are treated as Trustee Funds.

8. LETHAL YELLOWING TREE FELLING PROGRAMME

The activities under the Lethal Yellowing (LY) Tree Felling programme involved removing all visibly infected lethal yellowing coconut trees either by the Lethal Yellowing Monitoring Team or by the Board's Advisory Officers. However, the programme has been scaled down as there are fewer lethal yellowing diseased coconut trees.

It should be noted that due to the Board's constant reminder, farmers are also cutting their lethal yellowing diseased trees as soon as they are identified, in order to protect their farms.

9. RESEARCH

The Board continued its research activities over the review period. Research was carried-out in the areas of botany/plant breeding, agronomy/crop physiology and plant pathology. The research topics covered during 2012 included the following:

Botany/Plant Breeding

- Search for Resistance – The search continued for high yielding and disease resistant coconut trees.
- Characterisation – Molecular characterisation of the coconut population was carried-out at the Board's molecular lab.
- Experiment on Gall Mite (*Eriophyes guerretonis*) and Red Palm Mite (*Raoiella indica*).
- Introduction of Germplasm from the Ivory Coast.

Agronomy/Crop Physiology

- The effects of Cover Materials on Germination.
- The Effects of Shading on Germination Rate.

Plant Pathology – Research Efforts were Focussed on the Lethal Yellowing Disease

- Identification of Strain Variants of Phytoplasma.
- Improved Detection Methods Suitable for Routine Screening of Diseased Coconut Palms.
- Transmission Experiment of Phytoplasma via Seednuts

- Continued Use of Management Strategies to Control Lethal Yellowing Disease.
- Incubation Period for the Lethal Yellowing Phytoplasma.

It should also be noted that during the 2012 review period, the Board was engaged by other Caribbean countries for coconut disease diagnostic services. Samples of coconut tissue were obtained and analysed. Reports of the analyses and recommendations were sent to those countries.

10. REMUNERATION

The salaries and emoluments of the senior executives and compensation of directors for the period are included at appendices I and II respectively.

11. AUDITORS' REPORT

The accounts were audited by PriceWaterhouseCoopers and they have stated that in their opinion the financial statements gave a true and fair view of the financial position of the Board as at 31st December, 2012, and of its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards and the requirements of the Jamaican Companies Act.

12. The Annual Report with the Audited Financial Statements for the year ended December 31, 2012 of the Coconut Industry Board is hereby submitted to be tabled in the Houses of Parliament in accordance with the provisions of Section 27 of the Coconut Industry Control Act.



Roger Clarke

Minister of Agriculture and Fisheries

February 4, 2014

File No. 50/7/5