

MINISTRY PAPER

ANNUAL REPORT AND AUDITED FINANCIAL STATEMENTS FOR THE COCOA INDUSTRY BOARD FOR THE YEAR ENDED SEPTEMBER 30, 2010

The matter for tabling in the Houses of Parliament is the Annual Report and Audited Financial Statements of the Cocoa Industry Board for the year ended September 30, 2010. This report is tabled in accordance with the provisions of Section 16 of the Cocoa Industry Board Act.

2. ROLE OF THE COCOA INDUSTRY BOARD

The core function of the Board is the marketing of Jamaica's fine flavoured cocoa internationally. This involves:

- Promoting the growing of cocoa among farmers;
- The provision of technical support;
- The purchase and processing of wet beans; and
- The sale of dried fermented beans.

Processing was executed at the fermentaries which are strategically located in the parishes of St. Mary and Clarendon. However, warehousing and preparation of beans for export were conducted in Kingston.

3. COCOA FARMING POPULATION

It was estimated that 6,000 farmers grew cocoa commercially on 12,000 hectares in the parishes of Clarendon, St. Mary, Portland, St. Catherine and St. Thomas.

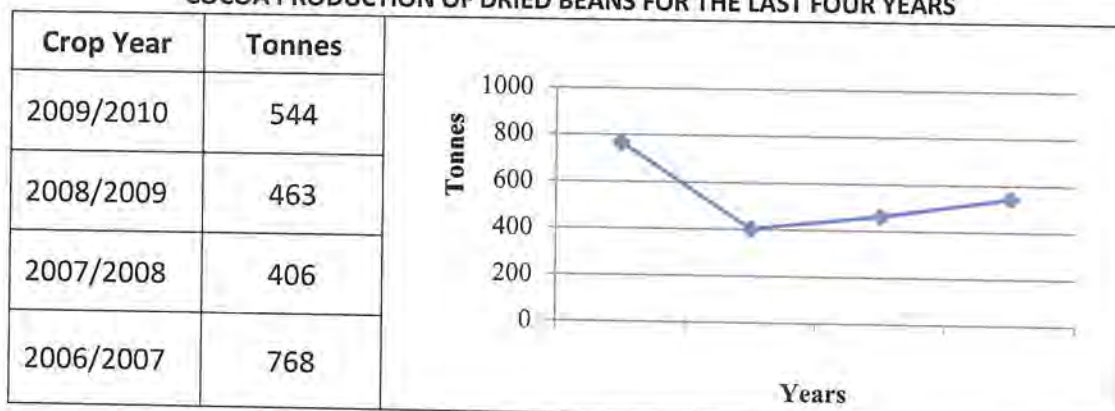
4. DEMAND FOR JAMAICA'S FINE FLAVOURED COCOA

The international demand for Jamaica's fine flavoured cocoa remained stable and was estimated at between 1,500 tonnes and 2,000 tonnes per annum.

5. PRODUCTION

Production increased from 463 tonnes to 544 tonnes in the year under review. This increase of 81 tonnes or 17.5% growth over the 2008/09 crop year indicates a resurgence of production within the industry.

COCOA PRODUCTION OF DRIED BEANS FOR THE LAST FOUR YEARS



Production for the 2009/10 crop year was affected mainly by:

- High costs of inputs (labour, fertiliser, etc.)
- Increasing average age of farmers
- Reduction of effective acreage under cocoa cultivation
- Poor cultural practices.

6. SUPPORT SERVICES

The Board continued to support the industry through meetings with farmers, collectors and secretaries. Extension service was also provided, delivering technical advice to farmers on how to improve their production practices. Further assistance included subsidising planting materials and other inputs (rat poison, machete, etc.) and the transportation of wet beans from farms to fermentaries.

7. EUROPEAN UNION PROJECT

The European Union committed to expend €500,000 (Euro) grant funding to rehabilitate 2,000 acres of cocoa in the parishes of St. Catherine, St. Mary, St. Thomas and Portland.

8. FARM-GATE PRICE FOR WET COCOA

Farm-gate price for the crop year 2009/10 remained the same as the previous year at \$146,006 per metric tonne or \$1,460.06 per box. A total of \$74.86 million was paid to farmers and \$8.64 million accrued as final payment at the end of the crop year.

PRICE PAID TO FARMERS/METRIC TONNE (MT)

YEAR	2009/2010	2008/2009
First payment per mt	\$130,006	\$130,006
Second payment per mt	\$ 16,000	\$ 16,000
TOTAL	\$146,006	\$146,006

9. FINANCES

The Board experienced a net loss of \$2.14 million for the 2009/10 financial year. However, this represented a 92% improvement over the \$27.3M deficit in the year prior. The recovery is consequent to a reduction in operating loss and growth in other finance incomes.

The Board ended the year, however, with a gain in comprehensive income which totalled \$540.41 M. This represents an increase by \$574.35 M over the previous year. The improvement in the financial performance can be attributed to surplus gained on the revaluation of assets and actuarial gains recognized in equity totalling \$542.6 M.

10. SALARY AND EMOLUMENTS

Cabinet is being asked to note the salaries and emoluments of the directors and senior executives as set out at appendices I and II respectively.

11.10. AUDITOR'S REPORT

The Financial Statements were audited by CrichtonMullings & Associates Chartered Accountants 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 September 30, 2010, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards and the requirements of the Act.

11. Cabinet is being asked to note that the Annual Report and Audited Financial Statements of the Cocoa Industry Board for the year ended September 30, 2010 will be tabled in the Houses of Parliament in accordance with the provisions of Section 16 of the Cocoa Industry Board Act.



Roger Clarke

Minister of Agriculture & Fisheries

April 10, 2014

Appendix I

DIRECTORS' COMPENSATION 2009/2010

Directors	Fees (\$)	Motor Vehicle Upkeep/Travelling or Value of Assigned Motor Vehicle (\$)	Honoraria (\$)	All Other Compensation including Non-Cash Benefits as applicable (\$)	Total (\$)
Chairman	-	-	-	-	-
Director 1	-	-	-	-	-
Director 2	22,000.00	16,735.68	-	-	38,735.68
Director 3	38,500.00	39,827.70	-	-	78,327.70
Director 4	22,000.00	13,839.12	-	-	35,839.12
Director 5	5,500.00	321.84	-	-	5,821.84
Director 6	22,000.00	-	-	-	22,000.00
Director 7	38,500.00	52,299.00	-	-	90,799.00
MOAF Observer	22,000.00	0.00	-	-	22,000.00
Caterers/Transportation	-	-	-	153,829.66	153,829.66
Total (\$)	170,500.00	123,023.34	-	153,829.66	447,353.00

Appendix II

SENIOR EXECUTIVES' COMPENSATION 2009/2010

Position of Senior Executive	Salary (\$)	Gratuity or Performance Incentive (\$)	Traveling Allowance or Value of Assigned Motor Vehicle (\$)	Pension or Other Retirement Benefits (\$)	Other Allowances (\$)	Non-Cash Benefits (\$)	Total (\$)
Secretary/Manager 1	952,636.00	-	265,500.00	-	-	-	1,218,136.00
Secretary/Manager 2	1,190,795.00	-	331,875.00	-	-	-	1,522,670.00
Total (\$)	2,143,431.00	-	597,375.00	-	-	-	2,740,806.00