

ANNUAL REPORT AND AUDITED FINANCIAL STATEMENTS OF THE  
BANANA BOARD FOR THE YEAR 2013

The matter for tabling in the Houses of Parliament is the Annual Report and Audited Financial Statements of the Banana Board for the year ended December 31, 2013. The Report is being tabled in accordance with the provisions of Section 27 (2) of the Banana Board Act.

**2. REVIEW OF OPERATIONS**

The Banana Board which was established on October 1, 1953 celebrated its 60<sup>th</sup> anniversary in October 2013. The celebrations began with a church service at the Port Maria Anglican Church and progressed into the Banana Day exposition. The exposition highlighted the achievements of the Board and honoured major contributors to the Jamaican Banana Industry.

It should be noted that over the 2013 review period, the Board was mandated by the Ministry of Agriculture and Fisheries to implement the Banana Resuscitation Programme to rehabilitate the industry after devastation to 66% of production areas by Hurricane Sandy in the previous year. Eligible farmers utilized approximately \$45 million of the \$100 million loan funds provided by the Development Bank of Jamaica. Access to the funds was facilitated by disbursement through the National Peoples Cooperative Bank. The Ministry of Agriculture and Fisheries contributed \$13 million to the programme to ensure the reduction of the interest rate from 8.5% to 5%. Uptake of the funds was below expectations due to collateral requirements and other issues. The programme was still deemed successful however, due to the relatively small negative impact on production (20% reduction) when viewed against the 66% damage to commercial areas in banana and plantain production in 2012 by Hurricane Sandy.

The year under review also saw the Board receiving the final payment of €62,221 (euros) in May 2013 from the European Union Banana Support Programme. These funds assisted with the successful completion of The Banana Board Grant Contract for Technical Services in Transition, which concluded its implementation on January 15, 2013. The Board subsequently applied for and was awarded a second grant for The Banana Board Grant Contract for Technical Services 2 in the new European Union funded Jamaica Banana Accompanying Measures Programme. The latter contract began on November 1, 2013 with the disbursement of the first installment of pre-financing amounting to €524,839. The total value of the second grant contract is €1.9 million over a four year period.

For the review period the Board had set several targets in the technical areas of its service delivery which were subsequently surpassed. Chief among these achievements were:

- The efficient management of the Banana Breeding and Research Station which has under its care 147 varieties of banana and plantain. The facilities were upgraded in the prior year to produce certified seedlings of the new high yielding FHIA varieties.
- The collection and testing of 246 leaf tissues and soil samples from 62 farms in Portland, St. Mary, St. Ann, Westmoreland, St. James St. Catherine and St. Thomas. The target of 60 samples was surpassed.
- Preparation of reports on crop and nutrient levels and fertilizer recommendations for 72 farms.
- The auditing of 62 farms revealed compliance with both national and international production procedures.
- To facilitate the export of 78,366 kg of bananas with average quality rate of 97.2% to the Cayman Islands.
- Provision of technical support to entrepreneurs engaged in banana bi-product manufacturing.

### 3. PRODUCTION

#### Banana and Plantain Production for the Years 2011 to 2013

(Tonnes)

Product	Year			Total
	2011	2012	2013	
Banana	46,660.1	45,980.3	33,294.8	125,935.2
Plantain	35,340.6	34,573.2	30,937.6	100,851.4

It should be noted that for the 2013 crop-year a total of 33,294.8 tonnes of banana and 30,937.6 tonnes of plantain were produced. This represented reductions of 12,685.5 tonnes (27.6%) and 3,635.6 tonnes (10.5%) for banana and plantain respectively from the previous year. This decrease in production resulted from the devastation of Hurricane Sandy which occurred in October 2012. The industry was therefore still in recovery mode in 2013.

#### 4. BANANA INDUSTRY CATASTROPHE FUND

The Banana Catastrophe Fund was established with a grant of JA\$30M from the European Union Banana Support Programme (EUBSP) in 2007. The fund continued to grow in 2013, however, at a slow rate despite the fact that there were no catastrophes or payout in 2013. Participation by growers in the fund continued the declining trend from previous years. In 2013, 189 farmers registered 368 hectares of cultivation, which represented a 19.6% decline from the 235 farmers who registered 671 hectares in 2012.

#### 5. FINANCIAL STATEMENTS

The Board recorded a surplus of \$77.4 million for the year ended December 31, 2013. This represented an increase of \$59 million (320%) over the figure of \$18.4 million recorded in the previous year. The Board achieved this surplus from total income of \$105.5 million. The main sources of income were subvention (\$80.3M), rental income (\$12.8M) and grants received (\$9.4M). However, staff cost at \$65.6M was the major administrative expense of the Board in 2013.

#### 6. SALARY AND EMOLUMENTS

The salaries and emoluments of the directors and senior executives are set out at Appendices I and II respectively.

#### 7. AUDITOR'S REPORT

The financial statements were audited by Calvert Gordon Associates. Chartered Accounts. They have stated that the financial statements gave a true and fair view of the financial position of the Board as at December 31, 2013, its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards.

8. The Annual Report and Audited Financial Statements of the Banana Board for the year ended December 31, 2013 are hereby submitted to be tabled in the Houses of Parliament in accordance with Section 27 (2) of the Banana Board Act.



Derrick Kellner, C.D.

Minister of Agriculture, Labour and Social Security

May 29 , 2015

**BANANA BOARD**

**DIRECTORS' COMPENSATION 2013**

<b>Position of Director</b>	<b>Fees (\$)</b>	<b>Motor Vehicle Upkeep/Travelling (\$)</b>	<b>Honoraria (\$)</b>	<b>All Other Compensation including Non-Cash Benefits as applicable (\$)</b>	<b>Total (\$)</b>
Chairman	75,000.00	-	-	-	75,000.00
Vice Chairman	45,000.00	-	-	-	45,000.00
Director 3	40,200.00	-	-	-	40,200.00
Director 4	45,000.00	-	-	-	45,000.00
Director 5	37,500.00	80,280.00	-	-	117,780.00
<b>Total</b>	<b>242,700.00</b>	<b>80,280.00</b>	<b>-</b>	<b>-</b>	<b>322,980.00</b>

**BANANA BOARD**  
**SENIOR EXECUTIVES' COMPENSATION**

<b>Position of Senior Executive</b>	<b>Year</b>	<b>Salary (\$)</b>	<b>Gratuity (\$)</b>	<b>Traveling Allowance (\$)</b>	<b>Pension or Other Retirement Benefits (\$)</b>	<b>Other Allowances (\$)</b>	<b>Non-Cash Benefits (\$)</b>	<b>Total (\$)</b>
General Manager	2013	4,036,429.00	1,009,107.00	975,720.00	-	-	-	6,021,256.00
Chief Accountant	2013	2,421,272.00	147,727.00	514,500.00	-	-	-	3,083,499.00
Pathologist	2013	2,425,580.00	606,145.00	514,500.00	-	-	-	3,546,225.00
Total		8,883,281.00	1,762,979.00	2,004,720.00	-	-	-	12,650,980.00