

ANNUAL REPORT FOR THE ALL-ISLAND JAMAICA CANE FARMERS'  
ASSOCIATION FOR THE YEAR ENDED SEPTEMBER 30, 2014

The matter for tabling in the Houses of Parliament is the Annual Report of the All-Island Jamaica Cane Farmers' Association for 2013 with the audited financial statements for the year ended September 30, 2012. This report will be tabled in accordance with the provisions of section 15 of The Sugar Cane Farmers (Incorporation and Cess) Act.

2. **BACKGROUND**

The All-Island Jamaica Cane Farmers' Association was incorporated under The Sugar Cane Farmers (Incorporation and Cess) Act on December 25, 1941. The Association is run by the Committee of Management. All registered cane farmers are members of the Association and they pay a cess on each tonne of cane which they deliver to a factory.

The main objectives of the All-Island Jamaica Cane Farmers' Association are:

- To promote the growing of cane by cane farmers and the expansion of the cane farming industry.
- The preparation of and the settling of terms for cane farmers contracts with sugar factories and aiding in the settlement of any dispute which may arise.
- To buy and sell fertilizer and agricultural implements for the benefit of its members.
- Make representation to the Government on any matter affecting the interest of cane farmers.

3. **STATUS OF ANNUAL REPORTS**

It should be noted, that the Association has submitted their annual report with audited financial statements for the last two financial years and is now fully compliant with the requirements of section 15 of The Sugar Cane Farmers (Incorporation and Cess) Act and the Public Bodies Management and Accountability Act, with respect to their annual reports.

4. **CANE PRODUCTION**

The 2013/14 crop lasted a total of 228 days. It started at Golden Grove on December 6, 2013 and finished at Golden Grove on July 21, 2014.

A total of 1,788,371 tonnes of cane was delivered to the sugar factories for the period under review. Of this total, estates were responsible for supplying 1,043,977 tonnes (58.4%) while farmers supplied 744,394 tonnes (41.6%). For the previous crop-year the corresponding figures were, an industry total of 1,408,549 tonnes which was supplied by, estates 835,186 tonnes (59.3%) and farmers 573,363 tonnes (40.7%).

## Cane Supplied to the Sugar Factories for the 2013/2014 Crop-Year

Entities	Farmers	Estates	Total
Appleton	75,906	296,381	372,287
Everglades	64,118	73,734	137,852
Frome	254,496	251,455	505,951
Golden Grove	142,234	112,789	255,023
Monymusk	89,572	180,605	270,177
Worthy Park Estate	118,068	129,013	247,081
<b>Total</b>	<b>744,394</b>	<b>1,043,977</b>	<b>1,788,371</b>

The total of 1,788,371 tonnes cane supplied to factories for the 2013/14 crop-year was harvested from 25,364 hectares which translates into a productivity ratio of 70.5 tonnes cane per hectare (tc/ha).

### Cane Productivity

It should also be noted that the average productivity for the private farmers was not satisfactory and needs to be improved. The highest productivity was recorded by the farmers supplying Appleton who had a productivity rate of 59 tc/ha. The lowest productivity was recorded by farmers supplying Monymusk at 46 tc/ha.

However, as it relates to the productivity of estates in producing cane for themselves, Worthy Park realized the highest productivity of 94 tc/ha while Golden Grove and Monymusk had the lowest with 50 tc/ha.

### Factors Affecting Production and Productivity

There were a number of factors affecting the production and productivity of cane for the 2013/14 crop-year. Chief among these factors were the following:

- Uncharacteristically wet weather at the Golden Grove Factory and especially in Frome where it was responsible for the postponement of the start of the crop. The wet weather also caused a pause in harvesting at Frome for one week during the crop because the oversaturated fields were completely inaccessible.
- The chronic shortage of cutters was another problem affecting harvesting activities. This problem was also made worse by the fact that the average age of cane cutters is trending towards 60 years.
- The perennial problem of illicit cane fires impacted the industry in 2013/14. Over the review period it reached crisis level in the Frome area. During the crop-year there were a total of 335 fires which affected both farmers and estate. Of this total, 155 fires razed cane fields belonging to farmers affecting 25,515 tonnes of cane and 180 fires were set to estate fields which affected 82,717 tonnes of cane.

## 5. INITIATIVES BY THE ASSOCIATION

The All-Island Jamaica Cane Farmers' Association reintroduced commercial activities which were suspended for many years. These activities were focused on the sale of fertilizers and agricultural chemicals. The Association distributed a total of 29,765 bags of several fertilizer blends with a market value of \$117,552,003. Chemical sales were not as impressive as that of fertilizer. A total of 8,984 litres of chemicals and powdered formulations was sold across all areas with a value of just under \$11 million.

The Association has also embarked on a rebranding exercise which will culminate with the construction of a new office and the subsequent relocation to the farming area of Innswood. A lease agreement has been signed with SCJ Holdings Limited for three acres of land for 49 years with the option to renew for a further 25 years.

## 6. FINANCE

The All-Island Jamaica Cane Farmers' Association recorded a net surplus of \$35,199,528 for the year ended September 30, 2014. This represented an increase of 6.2% (\$2,039,706) over the previous year's figure of \$33,159,822. The operations were financed primarily from the commercial operations of the Association valued at \$139.2 million, contributions of \$67 million from the Government of Jamaica and the cess collected from the factories on behalf of cane farmers in the amount of \$31.5 million.

## 7. SALARY AND EMOLUMENTS

The salaries and emoluments of the members of the Committee of Management and senior executives are set out at appendices I - IV.

## 8. AUDITOR'S REPORTS

### Year Ended September 30, 2013

The financial statements were audited by DGS Chartered Accountants and Business Advisors. They have stated as the basis for their opinion that the treatment of the defined benefit scheme is not in accordance with International Financial Reporting Standards (IFRS) as there was no actuarial valuation done to determine information such as the present value of the defined benefit.

### Opinion

Based on the matters mentioned above, the auditors have stated that except for the possible effects if any, of the matter mentioned above, the financial statements gave a true and fair view of the financial position of the Association as at September 30, 2013 and of its financial performance, changes in accumulated deficit and cash flows for the year then ended, in accordance with International Financial Reporting Standards.

### Year Ended September 30, 2014

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### **Opinion**

Based on the matters mentioned above, the auditors have stated that except for the possible effects if any, of the matter mentioned above, the financial statements gave a true and fair view of the financial position of the Association as at September 30, 2014 and of its financial performance, changes in accumulated deficit and cash flows for the year then ended, in accordance with International Financial Reporting Standards.

### **Emphasis of Matter**

The auditors have further stated, that in forming their opinion on the Association's financial Statements, they have considered the adequacy of the disclosure made concerning its ability to continue as a going concern. Based on the fact that there is no budgetary financial support from the Government of Jamaica over the next 12 months, the Association must increase revenues, cash flows and profit from the sale of fertilizer and chemicals to finance its operations if no funds are received from the Government. In addition, the Association will also need to increase cash flows from other income and reduce expenses. The financial statements do not include the adjustments that would result if the Association was unable to continue as a going concern

9. The Annual Report of the All-Island Jamaica Cane Farmers' Association for the year 2014 is hereby submitted to be tabled in the Houses of Parliament in accordance with section 15 of The Sugar Cane Farmers (Incorporation and Cess) Act.



Derrick Kellier, C.D.

Minister of Agriculture, Labour and Social Security

June 16, 2015

## ALL-ISLAND JAMAICA CANE FARMERS' ASSOCIATION

## COMMITTEE OF MANAGEMENT COMPENSATION (October 1,2012-September 30, 2013)

Position of Director	Fees (\$)	Motor Vehicle Upkeep/Travelling or Value of Assigned Motor Vehicle (\$)	Honoraria (\$)	All Other Compensation including Non-Cash Benefits as applicable (\$)	Total (\$)
Chairman	-	340,000.00	1,920,000.00	-	2,260,000.00
Vice-Chairman	-	340,000.00	720,000.00	-	1,060,000.00
Finance Committee Chairman	-	340,000.00	450,000.00	-	790,000.00
Member 1	-	26,296.00	-	-	26,296.00
Member 2	-	4,560.00	-	-	4,560.00
Member 3	-	6,992.00	-	-	6,992.00
Member 4	-	7,220.00	-	-	7,220.00
Member 5	-	10,944.00	-	-	10,944.00
Member 6	-	20,520.00	-	-	20,520.00
Member 7	-	59,440.00	-	-	59,440.00
Member 8	-	66,872.00	-	-	66,872.00
Member 9	-	92,022.00	-	-	92,022.00
Member 10	-	10,800.00	-	-	10,800.00
Member 11	-	235,008.00	-	-	235,008.00
Member 12	-	97,812.00	-	-	97,812.00
Member 13	-	126,844.00	-	-	126,844.00
Member 14	-	12,600.00	-	-	12,600.00

**ALL-ISLAND JAMAICA CANE FARMERS' ASSOCIATION**  
**SENIOR EXECUTIVE COMPENSATION**

<b>Position of Senior Executive</b>	<b>Year</b>	<b>Salary (\$)</b>	<b>Gratuity or Performance Incentive (\$)</b>	<b>Traveling Allowance or Value of Assigned Motor Vehicle (\$)</b>	<b>Pension or Other Retirement Benefits (\$)</b>	<b>Other Allowances (\$)</b>	<b>Non-Cash Benefits (\$)</b>	<b>Total (\$)</b>
Secretary/Manager	Oct. 2012-Sept. 2013	3,600,000.00	-	608,340.00	-	-	-	4,208,340.00
Chief Accountant	Oct. 2012-Sept. 2013	3,000,000.00	-	608,290.00	-	-	-	3,608,290.00
Field Operations Manager	Oct. 2012-Sept. 2013	727,739.72	-	262,930.00	-	-	-	990,669.72
Factory/Field Co-ordinator	Oct. 2012-Sept. 2013	2,408,333.31	-	1,121,040.00	-	-	-	3,529,373.31
Administrative Manager	Oct. 2012-Sept. 2013	2,000,000.00	-	760,980.00	-	-	-	2,760,980.00
<b>Total</b>		<b>11,736,073.03</b>	<b>-</b>	<b>2,600,600.00</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>12,336,673.03</b>

*Notes*

1. The position of Field Operations Manager was made redundant in November 2012.

## ALL-ISLAND JAMAICA CANE FARMERS' ASSOCIATION

## COMMITTEE OF MANAGEMENT COMPENSATION (October 1,2013-September 30, 2014)

Position of Director	Fees (\$)	Motor Vehicle Upkeep/Travelling or Value of Assigned Motor Vehicle (\$)	Honoraria (\$)	All Other Compensation including Non-Cash Benefits as applicable (\$)	Total (\$)
Chairman	-	480,000.00	1,920,000.00	-	2,400,000.00
Vice-Chairman	-	480,000.00	720,000.00	-	1,200,000.00
Finance Committee Chairman	-	480,000.00	450,000.00	-	930,000.00
Member 1	-	21,000.00	-	-	21,000.00
Member 2	-	23,600.00	-	-	23,600.00
Member 3	-	29,216.00	-	-	29,216.00
Member 4	-	79,516.00	-	-	79,516.00
Member 5	-	79,900.00	-	-	79,900.00
Member 6	-	135,240.00	-	-	135,240.00
Member 7	-	137,724.00	-	-	137,724.00
Member 8	-	148,630.00	-	-	148,630.00
Member 9	-	189,020.40	-	-	189,020.40
Member 10	-	18,200.00	-	-	18,200.00
Member 11	-	168,264.00	-	-	168,264.00
Member 12	-	58,608.00	-	-	58,608.00
<b>Total</b>	-	<b>2,528,918.40</b>	<b>3,090,000.00</b>	-	<b>5,618,918.40</b>

**ALL-ISLAND JAMAICA CANE FARMERS' ASSOCIATION**  
**SENIOR EXECUTIVE COMPENSATION**

<b>Position of Senior Executive</b>	<b>Year</b>	<b>Salary (\$)</b>	<b>Gratuity or Performance Incentive (\$)</b>	<b>Traveling Allowance or Value of Assigned Motor Vehicle (\$)</b>	<b>Pension or Other Retirement Benefits (\$)</b>	<b>Other Allowances (\$)</b>	<b>Non-Cash Benefits (\$)</b>	<b>Total (\$)</b>
Secretary/Manager	Oct. 2013-Sept. 2014	3,600,000.00	-	740,160.00	-	-	-	4,340,160.00
Chief Accountant	Oct. 2013-Sept. 2014	3,000,000.00	-	632,418.00	-	-	-	3,632,418.00
Factory/Field Co-ordinator	Oct. 2013-Sept. 2014	2,500,000.00	-	1,322,020.00	-	-	-	3,822,020.00
Administrative Manager	Oct. 2013-Sept. 2014	2,000,000.00	-	691,700.00	-	-	-	2,691,700.00
<b>Total</b>		<b>11,100,000.00</b>	<b>-</b>	<b>2,694,598.00</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>11,794,598.00</b>

Notes