

MINISTRY PAPER 16/16
ANNUAL REPORT AND AUDITED FINANCIAL STATEMENTS FOR THE BANANA
BOARD
FOR THE YEAR ENDED DECEMBER 31, 2014

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, 2014. The Report is being tabled in accordance with the provisions of Section 27 (2) of the Banana Board Act.

2. REVIEW OF THE OPERATIONS

The Banana Board was established on October 1, 1953 under the Banana Board Act, and is aligned with the Banana Insurance Act of 1946. The statutory functions of the Board are primarily:

- To promote the interest and efficiency of the banana industry;
- To assist in the development of the industry;
- To control and eliminate any disease affecting bananas;
- To develop bananas wholly and partially immune to disease;
- To administer the Banana Insurance Fund; and
- To manage the Banana Industry Catastrophe Fund.

In 2014, the Board delivered specific technical services to growers and other agribusinesses in the value chain, with the implementation of the European Union (EU) funded Jamaica Banana Accompanying Measures (JBAMs) program. The four-year programme, *The Banana Board Grant for Technical Service 2*, began on November 1, 2013. Major activities were executed in the first year of the programme, including the following:

- Designing the strategy and planning for export expansion, as well as identifying the funds for implementing the project in the 2015-2016 fiscal year
- Implementing industry-specific applied scientific research
- Transferring of new technologies
- General extension services
- Surveillance, monitoring and integrated pest management of Black Sigatoka and Moko diseases; nematode and borer weevil pest infestations
- Survey for early detection of Panama Disease Tropical Race 4 (PDTR4)
(none found)
- Managing the multiplication and distribution of seedlings of the new disease-resistant and high yielding banana and plantain varieties to be used as a staple and raw material for agribusinesses in the strategy to increase food security and import substitution.
- Updating the spatial, production (domestic, export and bi-products), databases of banana and plantain farmers and agribusinesses.

For the year 2014, the Banana Board received a subvention of \$77.9M from the Government of Jamaica Budget Support, and earned J\$15.0M from property rental and J\$3.4M from other sources as appropriations-in -aid (AIA). Over the 12-month period, the Board also received a grant of J\$33.1M from the EU's JBAMs programme, in *The Banana Board Grant Contract for Technical Service 2*. The total value of the grant contracted is 1.9M Euros for the four years. The Board utilized inflows to offset total expenditure of J\$110M which enabled it to accomplish or surpass all specific pre-set targets in technical services for the year 2014.

3. EXTENSION SERVICES TO FARMERS

For the review period the Board had set several targets in the technical areas of its service delivery which was subsequently surpassed. During the year, extension officers achieved the following: 1900 individual farm advisory visits; 63 group meetings; 8 training sessions for farmer groups; and resourced 3 growers meetings. They had demonstrations at 15 field day events and conducted 86 on-farm training. A total of 775 farmers and 696 secondary and tertiary students benefitted from the various training sessions in 2014 as illustrated in the table below. Shortfalls in agronomic training for youth /students and business management training for farmers will be increased appropriately in the next period.

SCHEDULED EXTENSION SERVICES TO FARMERS FOR YEAR 2014

Activities	Targets	Year-to-date Achievement	% of Target
Farm visitations	*1800 annually (450/quarter)	1900	106
Group meeting	*48 annually (12/quarter)	63	131
Field Days	*48 annually (12 / quarter)	52	108
Growers trained in agronomic practices	*500 annually (125/quarter)	775 (667 males and 108 females)	155
Students/youth introduced to/trained in banana/plantain production	*800 annually (200/quarter)	696	87

The Board facilitated increased banana production by 30% and productivity by 7.5 tonnes per hectare when compared with 2011 values. It also started the process of aligning products to appropriate markets to be achieved within four years (2014 to 2017). However, achieving these objectives are conditional on the successful implementation of the following measures:

- Distribution of new high yielding varieties
- Re-invigoration of the trade to diversified markets, with the provision of;
 - technical innovations and standardization of best practices on farms and
 - value-added facilities by way of certification.

- the transfer of technologies for drought mitigation on farms and
- the administration of the Banana Industry Catastrophe Fund for weather risk management.

The specific achievements were updated throughout the year in the Banana Board Quarterly Status Reports of the Ministry of Agriculture and Fisheries (MOAF), The Planning Institute of Jamaica (PIOJ), and the European Union (EU). There were notable increases in banana production, productivity, exports and value addition. The production of banana and plantain in each quarter exceeded corresponding periods in the 2011 base year as a result of the implemented strategies.

4. **JAMAICA BANANA ACCOMPANYING MEASURES (JBAMs) PROGRAMME**

The Board utilized funds to carry out its function, by implementing the JBAMs *Banana Board Grant Contract for Technical Services 2* as components of the National Adaptation Strategy as documented in the Overall Country Strategy for the Banana Industry (revised 2012). It was launched during the latter part of 2013 and was supported by the Government of Jamaica and the European Union in the Jamaica Banana Accompanying Measures. The Banana Board was granted Euro 1.9 million from the JBAMs, which was used to increase production and productivity in the farms of the six targeted parishes - Clarendon, Portland, St. Catherine, St. James, St. Mary and St. Thomas – and agribusiness enterprises.

Banana production for 2014 was 53,035 tonnes or 60% greater than the production of 2013. This was achieved in spite of severe drought, which was mitigated by appropriate production and disaster management strategies.

5. **BANANA INDUSTRY CATASTROPHE FUND**

The Banana Catastrophe Fund was established with a grant of J\$30M from the European Union Banana Support Programme (EUBSP) in 2007. The disaster mitigation services provided by the Banana Board continued to be guided by the protocol: Disaster Mitigation Strategies for Jamaica Banana Production and the Operations Manual of the Banana Catastrophe Fund. The governing body in the Banana Board had directed that registration fees for the Catastrophe Fund in 2014 would not be changed from the previous year's rate. A budget for the outreach activities to stimulate more participation by farmers from January to April 2014 was approved.

The annual outreach and registration activities for the Catastrophe Fund was initiated in January 2014. This was aimed at motivating farmers to register with the Fund. A total of 162 farmers registered: 148 banana farmers registered 415.95 hectares of bananas and 14 plantain farmers registered 16.12 hectares of plantain. There was a decline of 14% in the number of farmers registered in 2014 when compared to 189 in 2013, significantly below the 230 farmers registered in 2012.

6. **FINANCIAL STATEMENTS**

The Board recorded a surplus from operations of 23.6 million for the year ended December 31, 2014. This represented a decrease of 50.7 % from the 2013 figure of 47.9 million. The main sources of income were subvention (77.9M) and grants received (33.1M).

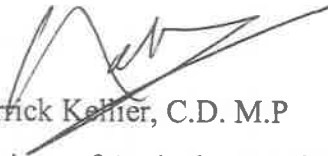
7. **SALARY AND EMOLUMENTS**

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

8. **AUDITOR'S REPORT**

The accounts were audited by Calvert, Gordon 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 December 31, 2014, its financial performance and cash flow for the year then ended in accordance with International Financial Reporting Standards and the requirements of the Jamaica Companies Act.

9. The 2014 Annual Report and Audited Financial Statements of the Banana Board are hereby submitted to be tabled in the Houses of Parliament in accordance with the provisions of Section 27 (2) of the Banana Board Act.



Derrick Kellier, C.D. M.P
Minister of Agriculture and Fisheries
January - 19, 2016

BANANA BOARD

DIRECTORS' COMPENSATION 2014						
Position of Director	Fees (\$)	Motor Vehicle Upkeep/Travelling (\$)	Honoraria (\$)	All Other Compensation including Non-Cash Benefits as applicable (\$)	Total (\$)	
Chairman	125,000.00	-	-	-	125,000.00	
Vice Chairman	52,500.00	-	-	-	52,500.00	
Director 3	67,500.00	25,380.00	-	-	92,880.00	
Director 4	60,000.00	-	-	-	60,000.00	
Director 5	67,500.00	152,280.00	-	-	219,780.00	
Other	-	-	-	19,830.00	19,830.00	
Total	372,500.00	177,660.00	-	-	569,990.00	

BANANA BOARD
SENIOR EXECUTIVES' COMPENSATION

Position of Senior Executive	Year	Salary (\$)	Gratuity (\$)	Traveling Allowance (\$)	Pension or Other Retirement Benefits (\$)	Other Allowances (\$)	Non-Cash Benefits (\$)	Total (\$)
General Manager	2014	4,036,429.00	1,009,107.25	-	-	-	-	5,045,536.25
Chief Accountant	2014	2,421,272.00	-	514,500.00	-	-	-	2,935,772.00
Pathologist	2014	2,483,332.00	620,833.00	514,500.00	-	-	-	3,618,665.00
Total		8,941,033.00	1,629,940.25	1,029,000.00	-	-	-	11,599,973.25

Note

The General Manager receives a fully maintained motor vehicle as a part of her compensation package.