

38/18

MINISTRY PAPER

**ANNUAL REPORT AND AUDITED FINANCIAL STATEMENTS OF THE
SUGAR INDUSTRY AUTHORITY FOR THE CROP-YEAR 2014/15**

The matter for tabling in the Houses of Parliament is the Annual Report and Audited Financial Statements of the Sugar Industry Authority (SIA) for the year ended 31st October, 2015. This report is being tabled in accordance with the provision of Section 16 (2) of the Third Schedule of the Sugar Industry Control Act.

2. PRODUCTION

Selected Production Statistics for the 2013/14 and 2014/15 Crops

	2013/14	2014/15
Cane Milled ('000 tonnes)	1,779	1,572
Farmers	763	736
Estates	1,013	836
96 ⁰ Sugar production ('000 tonnes)	154.36	134.22
Hectares Reaped ('000)	29.70	27.53
Tonnes cane/hectare	59.89	57.11
Tonnes cane/tonne sugar	11.53	11.71
Tonne sugar/hectare	5.20	4.88

Sugar production for the 2014/15 crop year was 134,224 tonnes of 96⁰ sugar. This figure represents a decrease of 13% from the previous year's production of 154,361 tonnes.

3. PRICES

The total price paid per tonne to growers and manufacturers of sugar for 2014/15 had declined by 12 % moving from \$80,020 to \$70,419. This figure when disaggregated represents \$43,660 (62%) for cane growers and \$26,759 (38%) for sugar manufacturers.

4. MARKETING

Total sugar exported for 2014/15 was 78,476 tonnes valued at US\$56,178,000. This represented decreases in volume and value of 11.34% and 14.02% respectively. A breakdown of the total exports showed that 64,571 tonnes valued at US\$49,483,000 went to the European Union (EU), 13,202 tonnes valued at US\$6,302,000 was shipped to the United States and the remaining 703 tonnes valued at US US\$393,000 was shipped to CARICOM and other markets.

Local Sales of Raw Sugar

The amount of locally produced raw sugar sold on the domestic market during the 2014/15 crop-year was 51,972 tonnes. This is 7,303 tonnes more than the 44,669 tonnes sold for the 2013/14 crop-year. There was no importation of brown sugar during the period under review. The market for sugar internationally has changed significantly and in particular in the European Union (EU) resulting in lower sugar prices. The local sugar market now offers the best price for Jamaican sugar.

Factory Efficiency

The Factory Recovery Index (FRI) represents a key measurement of factory efficiency and requires that a minimum standard of 91% (FRI). During the review period 2014/2015 the industry's average FRI was 84.59% which was below the standard; this decline in FRI represents the lowest achieved since 2010. Worthy Park with a FRI of 98.09% was the only factory to achieve the industry standard of 91%. Appleton, Everglades and Golden Gove achieved FRI's which were marginally below the industry standard. However, Monymusk and Frome recorded FRI significantly lower than the industry standard.

Factories that fail to meet the industry standard of 91% will suffer losses in revenue, as farmers are paid assuming the achievement of 91% FRI.

5. AUDITOR'S REPORT

The accounts were audited by Crowe Horwath Jamaica, Chartered Accountants. The auditors have stated that in their opinion, the financial statements give a true and fair view of the financial position of the Sugar Industry Authority as at October 31, 2015, and of its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards and the Sugar Industry Control Act.

6. SALARIES AND EMOLUMENTS

The compensation of the directors and senior executives are set out in appendices 1A and 1B and II respectively.

7. The Annual Report of the Sugar Industry Authority is hereby submitted for tabling in the Houses of Parliament in accordance with the provisions of section 16 (2) of the Third Schedule of the Sugar Industry Control Act.



Audley Shaw, C.D., M.P

Minister of Industry, Commerce, Agriculture and Fisheries

April 17, 2018

SUGAR INDUSTRY AUTHORITY

APPENDIX 1A

DIRECTORS COMPENSATION (2014/15) Nov. - Dec.

Name of Director	Fees (\$)	Motor Vehicle Upkeep/Travelling or Value of Assigned Motor Vehicle (\$)	Honoraria (\$)	All Other Compensation including Non-Cash Benefits as applicable (\$)	Total (\$)
Ambassador Derick Heaven - Executive Chairman	-	-	-	-	-
Mr. Robert Henriques	33,667.68	-	-	-	33,667.68
Mr. Allan Rickards	24,334.34	-	-	-	24,334.34
Mrs. Cynthia Sankar	15,000.00	-	-	-	15,000.00
Mr. Leonard Green	-	-	-	-	-
Mr. Vincent Morrison	-	-	-	-	-
Mr. Huaixiang Wu	15,000.00	-	-	-	15,000.00
Total	88,002.02	-	-	-	88,002.02

Note: The Executive Chairman is not compensated for attending meetings.

APPENDIX 1B

**DIRECTORS COMPENSATION (2014/15)
Jan. - Oct.**

Name of Director	Fees (\$)	Motor Vehicle Upkeep/Travelling or Value of Assigned Motor Vehicle (\$)	Honoraria (\$)	All Other Compensation including Non-Cash Benefits as applicable (\$)	Total (\$)
Dr. Wesley Hughes - Chairman	138,668.68	-	-	-	138,668.68
Mr. Robert Henriques	176,003.02	-	-	-	176,003.02
Mr. Allan Rickards	103,002.01	-	-	-	103,002.01
Mrs. Cynthia Sankar	105,000.00	-	-	-	105,000.00
Mr. Michael Erskine	60,000.00	-	-	-	60,000.00
Mr. Joseph Rose	120,000.00	-	-	-	120,000.00
Mr. Kurt Fletcher	118,003.00	-	-	-	118,003.00
Total	820,676.71	-	-	-	820,676.71

SUGAR INDUSTRY AUTHORITY
SENIOR EXECUTIVE COMPENSATION 2014/2015

Position of Senior Executive	Year	Salary (\$)	Gratuity (\$)	Motor Vehicle Upkeep (\$)	Pension or Other Retirement Benefits (\$)	Other Allowances (\$) (Lunch Allowance)	Non-Cash Benefits (\$)	Total (\$)
Chief Executive Officer	2014/15	6,458,744.64	1,614,686.16	1,341,612.00	-	-	-	9,415,042.80
Director , HR & Administration	2014/15	4,665,215.04	-	1,341,612.00	466,521.50	74,084.40	-	6,547,432.94
Financial Controller	2014/15	4,914,465.96	1,228,616.49	1,341,612.00	-	74,084.40	-	7,558,778.85
Director, Industry Regulations	2014/15	4,665,215.04	1,166,303.76	1,341,612.00	-	74,084.40	-	7,247,215.20
Acting Director of Research	2014/15	4,665,215.04	-	1,341,612.00	466,521.50	74,084.40	-	6,547,432.94
Total		25,368,855.72	4,009,606.41	6,708,060.00	933,043.00	296,337.60	-	37,315,902.73