

ANNUAL REPORT OF THE COCONUT INDUSTRY BOARD

FOR THE YEAR ENDED DECEMBER 31, 2016

The matter for tabling in the Houses of Parliament is the Annual Report and Audited Financial Statements of the Coconut Industry Board for the year ended December 31, 2016. This report is being tabled in accordance with the provisions of Section 27 of the Coconut Industry Control Act.

2. BOARD PROFILE

The Coconut Industry Board was established under the Coconut Industry Control Act, Cap. 62, enacted in 1945. The Board consists of nine members. The Minister of Industry, Commerce, Agriculture and Fisheries appoints four members, which includes the Chairman. Registered coconut growers elect the remaining five and must themselves be registered coconut growers; or the attorneys for such registered coconut growers; or the managing director of the companies that are registered coconut growers.

The Board primarily promotes the interests and efficiency of the coconut industry and encourages the production of coconuts.

Allied functions include:

- a) Keeping Government informed on the state of the industry and advising the Government when any action is necessary.
- b) Arranging insurance of coconut trees against damage by windstorm.
- c) Assisting growers to market their crop.
- d) Conduct research on the agricultural problems facing the industry and advising growers of possible solutions.

3. PRODUCTION AND DISPOSAL

Coconut production in 2016 was calculated at 100.1 million nuts (year 2015 adjusted due to drought conditions – 99.2 million). The estimated value of production was \$4.71 billion, based on the average price of \$47.00 paid by the Board to farmers for Maypan and Malayan Dwarf jelly coconuts. Production during the review period was adversely affected by improper agronomic practices, lack of fertilizer and further deaths of bearing coconut trees from lethal yellowing and other diseases.

The majority of production for 2016 was channeled to processing (bottlers of jelly coconut water), the Coconut Industry Board, street vendors, supermarkets and the producers of coconut oil. The portion of the crop, which was processed and sold to and through the Board during the year 2016 and the four preceding years, are as follows:

Year	N		U		T		S	
	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>TOTAL</u>		
	<u>'000</u>	<u>'000</u>	<u>'000</u>	<u>'000</u>	<u>'000</u>	<u>'000</u>		
St. Andrew	1	1	4	12	-	18		
St. Elizabeth	136	103	105	113	191	648		
St. Thomas	45	137	121	77	125	505		
Portland	56	54	68	73	90	341		
St. Mary	456	651	874	852	717	3,550		
St. Catherine	322	135	49	-	6	512		
<b>TOTAL</b>	<b>1,016</b>	<b>1,081</b>	<b>1,221</b>	<b>1,127</b>	<b>1,129</b>	<b>5,574</b>		

#### 4. EXPORT

Seed coconuts were exported to Florida in the United States of America. The total number of seed coconuts exported in 2016 was 33,000 at a F. O.B. value of US\$108,500.00.

Export of seed coconuts during the preceding four years and year ended December 31, 2016 are as follows:

<u>Year</u>	<u>F.O.B.</u>	
	<u>Number</u>	<u>Value</u>
	<u>Exported</u>	<u>(US\$)</u>
2016	33,000	108,500
2015	47,850	149,100
2014	52,200	169,050
2013	21,000	64,600
2012	30,000	95,500
<b>Total</b>	<b>184,050</b>	<b>586,750</b>

#### 5. DISTRIBUTION OF SEEDLINGS

The Board distributed a total of 36,915 coconut seedlings in 2016. Included in this total were 18,029 seedlings to farmers under the Old Planting Programme and 15,113 seedlings under the New Planting Programme. The Old Planting Programme covers St. Thomas, Portland, St. Mary, St. Ann and St. Catherine that are all traditional coconut growing areas. However, the New Planting Programme covers the non-traditional coconut growing areas in the western region of the island.

To qualify under the programme, a farmer must be registered with the Board and must have land, which can accommodate at least 125 coconut seedlings. The demand for seedlings exceeded the supply in the year 2016.

Under the Old Planting Programme, weed control grant and fertilizer for 80% of the seedlings planted (the percentage which is expected to survive) are given free of cost to qualified farmers. A total of 33,142 coconut seedlings at a cost of \$9.5M along with fertilizer and weed control grant valued at \$3.8M were distributed to coconut farmers under the two planting programmes.

6. **WINDSTORM INSURANCE FUND**

The Fund continued to indemnify coconut growers against the loss of bearing coconut trees due to windstorm. The liability for windstorm insurance damage during 2016 was \$73,284,347 (year 2015 - \$71,056,179); the maximum coverage per tree remained at \$1,000.

The finances of the Windstorm Insurance Fund are kept separately from the funds of the Board and are treated as Trustee Funds.

7. **FINANCE**

For the year ended December 31, 2016, the Board reported total revenue of \$138,625,000 representing an increase of \$6,077,000 or 4.58% when compared to 2015's figure of \$132,548,000. The net surplus increased to \$158,769,000 in 2016 from \$74,690,000 in 2015, highlighting an increase of \$84,079,000 or 112.57%. This difference was due primarily to the Board receiving a greater share of profits from an associated company, compared to the previous year (\$276,970,000 in 2016 versus \$182,567,000 in 2015).

8. **RESEARCH**

The Research Department continued to work towards maintenance and improvement of the coconut industry in Jamaica, through constant monitoring and review of prevailing cultural practices, available germplasm and disease control interventions.

**Botany/Plant Breeding**

The Botanist/Plant Breeder continued the search for high yielding, disease resistant varieties of coconut during year 2016.

The following activities continued during the year:

- i. Monitoring of the Brazil Green Dwarf and its hybrids (Brapan and Maybraz) for their potential to increase local coconut production.
- ii. Monitoring of the Brazil Green Dwarf and fifteen other varieties introduced from the Ivory Coast, in 2009 for their potential to local coconut production.
- iii. Monitoring the varieties introduced from the Ivory Coast, Africa in 2012 for their potential to local coconut production.
- iv. Replication of coconut germplasm at the field in Plantain Garden, St. Thomas.
- v. Assessment of seednut and seedling production in the Boards's nurseries.

## **Plant Pathology and Molecular Biology**

### **Lethal Yellowing Disease**

Lethal Yellowing (LY) continues to be a devastating disease that affects coconut and more than 35 other palm species in the Americas. In Jamaica, LY disease remains active in the main coconut growing areas and continues to threaten the viability of the local coconut industry. The disease is destroying varieties and hybrids grown locally.

Research and experience over the years have taught us how the disease can be reduced in affected areas. Reduction of the disease in these areas increases the income to small coconut growers and provides incentive for expanding production.

### **Agronomy/Crop Physiology**

The Agronomist/Crop Physiologist focused on research aimed at improving the germination of seednuts thereby increasing the production of saleable planting material.

A best practice manual for nursery production was prepared during the period. Information contained will include the selection of mother palms, pollen source, production of hybrid varieties, harvest and selection of seednuts along with the establishment of a nursery and the care of seedlings.

### **Coconut Tissue Culture**

The Board in collaboration with the University of the West Indies (UWI) continued to establish protocols for the culture of elite germplasm. The project has two main objectives: the development of a reliable embryo culture protocol for the culture of extracted embryos into mature plants and the development of a somatic embryogenesis protocol to enable the rapid multiplication of a desired cultivar.

Embryos placed in culture during the period displayed varying germination rates (maximum 80% germination). Germinated embryos were kept in embryo culture or used to produce explants for callus culture.

Achievements for the review period included the following:

- Seven seedlings planted in the field trials in December 2016 within the parishes of St. Mary, St. Thomas and Portland. Data collection continues on these seedlings
- Nineteen plants were hardened, fifteen of these plants are still alive, survival rate 80%
- Fifteen embryos were initiated into embryo culture
- Callus culture
- Fifty embryos were initiated in callus culture using 2,4D picloram

## **9. REMUNERATION**

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

10. AUDITORS' REPORT

PriceWaterhouseCoopers audited the accounts 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, 2016. The auditors also reported that the cash flows for the year ended December 31, 2016 were in accordance with the International Financial Reporting Standards.

11. The 2016 Annual Report and Audited Financial Statements of the Coconut Industry Board are hereby submitted to be tabled in the Houses of Parliament in accordance with the provisions of Section 27 of the Coconut Industry Control Act.

A handwritten signature in black ink, appearing to read 'Audley Shaw', with a long horizontal stroke extending to the right.

Audley Shaw CD, MP.

Minister of Industry, Commerce, Agriculture & Fisheries

June 19, 2018

## DIRECTORS' COMPESATION 2016

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 (\$)
Board Chairman	382,500.00	92,322.00		80,000.00	554,822.00
Board Member 2	90,500.00	90,104.00		30,000.00	210,604.00
Board Member 3	30,000.00	13,664.00			43,664.00
Board Member 4	112,050.00	93,906.00			205,956.00
Board Member 5	33,500.00	13,664.00			47,164.00
Board Member 6	228,300.00	80,706.00			309,006.00
Board Member 7	43,500.00	17,080.00			60,580.00
Board Member 8	215,600.00	85,318.00			300,918.00
Board Member 9	197,600.00	154,665.80			352,265.80
Board Member 10	152,500.00	72,237.20			224,737.20
Board Member 11	99,000.00	140,248.00			239,248.00
Board Member 12	140,850.00	56,196.00			197,046.00
Board Member 13	186,600.00	139,249.00			325,849.00
<b>Total</b>	<b>1,912,500.00</b>	<b>1,049,360.00</b>		<b>110,000.00</b>	<b>3,071,860.00</b>
<i>Others</i>	7,000.00	39,370.00			46,370.00
<b>Total</b>	<b>1,919,500.00</b>	<b>1,088,730.00</b>		<b>110,000.00</b>	<b>3,118,230.00</b>

## Notes

1. The column labelled "All Other Compensation including Non-Cash Benefits as applicable" represent out-of-pocket expenses for the year.

## SENIOR EXECUTIVE COMPENSATION 2016

Position of Senior Executive	Year	Salary (\$)	Gratuity or Performance Incentive (\$)	Traveling Allowance or Value of Assigned Motor Vehicle (\$)	Pension or Other Retirement Benefits (\$)	Other Allowances (\$)	Non-Cash Benefits (\$)	Total (\$)
General Manager	2016	6,456,270.00	722,625.00			757,704.00	120,000.00	8,056,599.00
Director of Research	2016	4,216,020.00	471,883.00			494,790.00	120,000.00	5,302,693.00
Corporate Secretary	2016	3,197,281.00	355,905.00			373,182.00	105,333.00	4,031,701.00
<b>Total</b>		<b>13,869,571.00</b>	<b>1,550,413.00</b>			<b>1,625,676.00</b>	<b>345,333.00</b>	<b>17,390,993.00</b>

## Notes

1. The column labelled "Gratuity" represents amounts paid which were approved by the Board.
2. "Other Allowances" represents travelling allowances paid to the executive staff.
3. "Non-Cash Benefits" represents motor vehicle allowance for the executive staff