

**ANNUAL REPORT AND AUDITED FINANCIAL STATEMENTS OF THE
SUGAR INDUSTRY AUTHORITY FOR THE CROP-YEAR 2015/16**

The matter for tabling in the Houses of Parliament is the Annual Report with the Audited Financial Statements of the Sugar Industry Authority (SIA) for the year ended 31st October, 2016. This report is being tabled in accordance with the provisions of paragraph 16 (2) of the Third Schedule of Section 3 of the Sugar Industry Control Act.

2. PRODUCTION

Selected Production Statistics for the 2014/15 and 2015/16 Crops

	2014/15	2015/16
Cane Milled ('000 tonnes)	1,572	1,118
Farmers	736	619
Estates	836	499
96 ⁰ Sugar production ('000 tonnes)	134.22	82.85
Hectares Reaped ('000)	27.53	21.14
Tonnes cane/hectare	57.11	52.89
Tonnes cane/tonne sugar – (TC/TS) ratio	11.71	13.49
Tonne sugar/hectare	4.88	3.92

Sugar production for the 2015/16 crop year was 82,855 tonnes of 96⁰ sugar. This figure represents a decrease of 38.27% from the previous year's production of 134,224 tonnes.

3. PRICES

The total price paid per tonne to growers and manufacturers for 2015/16 declined by 20.40% from \$70,419 to \$56,051. This figure when disaggregated represents \$34,752 (62%) for cane growers and \$21,299 (38%) for sugar manufacturers.

4. MARKETING

Total sugar exported for 2015/16 was 38,044 tonnes valued at US\$17,301,300; this represented decreases in both volume and value of 52% and 69% respectively. A breakdown of total export indicated that 24,136 tonnes valued at US\$8,930,220 went to the European Union (EU) and 11,853.62 tonnes valued at US\$6,942,840 was shipped to the United States. The remaining 2,054 tonnes valued at US\$1,428,240 was shipped to CARICOM and other markets.

4.1 **Local Sales of Raw Sugar**

The amount of locally produced raw sugar sold on the domestic market during the 2015/16 crop-year was 47,388 tonnes. This was 4,584 tonnes less than the 51,972 tonnes sold for the 2014/15 crop-year. There was no importation of brown sugar for the period under review. The changes in the international market with respect to falling prices, especially in the European Union (EU) has made the local sugar market an attractive option given the price being offered.

5. **FACTORY EFFICIENCY**

The Factory Recovery Index (FRI) represents a key measurement of factory efficiency and requires a minimum standard of 91% (FRI). During the review period 2015/2016 the industry's average FRI was 80.60% representing the lowest FRI achieved since 2010. Worthy Park was the only factory that met and surpassed the industry FRI standard; it achieved 96.04%. Everglades had the worst efficiency of 55.37% due largely to its late harvesting during the 2015/16 crop year; as the factory experienced varying levels of operational deficiencies.

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

6. **THE RESEARCH DIVISION (SIARD)**

The Sugar Industry Authority Research Division (SIARD) has a cadre of researchers with specialized skills in Agriculture, Environmental Management, Chemistry, Engineering and Sugar Technology. Its main functions and R&D priorities are:

- Research and develop improved sugar cane varieties and related agricultural technology to increase sugar cane production
- Assist factories in improving efficiency in sugar recovery geared towards increasing profitability and sustainability of the industry; by improving farming systems and production management
- Soil health and nutrition management studies
- Agrometeorological forecasting
- Evaluating agrochemical use and impacts
- Improving factory efficiency and technologies
- Development of new products(s)

The research and development activities are supported by analytical testing from a laboratory that is internationally recognized with ISO (International Organization for

Standardization) accreditation for its operation. The laboratory is also seeking to expand its scope of activities to include soil testing.

6.1 Sugar Cane Variety Development Section

There were ten (10) sugar cane varieties sourced from the West Indies Central Sugar Cane Breeding Station (WICSCBS) in Barbados. Three varieties showed good prospects with high cane and sugar yields along with high resistance to all diseases of current economic significance. The Golden Grove Sugar Company, Frome Estate, Holland Estate, New Yarmouth Estate and Worthy Park Estate are propagating new varieties to enhance production.

6.2 Irrigation and Drainage

During the 2015/2016 period, monitoring and investigation for over 230 hectares of drip irrigated sugarcane was conducted on behalf of several small, medium and large scale farming operations within the irrigated plains.

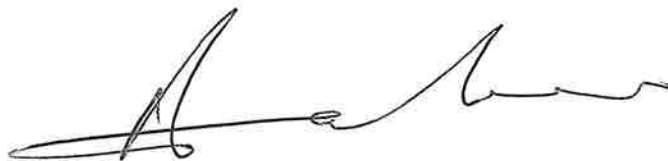
7. AUDITOR'S REPORT

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, 2016 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.

8. SALARIES AND EMOLUMENTS

The compensation of the directors and senior executives are set out in appendices IA, IB and II respectively.

9. The Annual Report of the Sugar Industry Authority is hereby submitted for tabling in the Houses of Parliament in accordance with the provisions of paragraph 16 (2) of the Third Schedule of Section 3 of the Sugar Industry Control Act.



Audley Shaw, C.D., M.P
Minister of Industry, Commerce, Agriculture and Fisheries
August 28, 2018

SUGAR INDUSTRY AUTHORITY

Appendix I

SENIOR EXECUTIVE COMPENSATION
2016

Position of Senior Executive	Year	Salary (\$)	Gratuity or Performance Incentive (\$)	Motor Vehicle Upkeep (\$)	Pension or Other Retirement Benefits (\$)	Other Allowances (\$) (Lunch Allowance)	Non-Cash Benefits	Total (\$)
Chief Executive Officer	2016	6,458,744.64	1,614,686.16	1,341,612.00	-	-	-	9,415,042.80
Director, HR & Administration	2016	4,665,215.04	-	1,341,612.00	466,521.50	74,084.40	-	6,547,432.94
Financial Controller	2016	4,914,465.96	1,228,616.49	1,341,612.00	-	74,084.40	-	7,558,778.85
Director, Industry Regulations	2016	4,665,215.04	1,166,303.76	1,341,612.00	-	74,084.40	-	7,247,215.20
Acting Director of Research	2016	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

SUGAR INDUSTRY AUTHORITY
SENIOR EXECUTIVE COMPENSATION 2015/2016

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