

ANNUAL REPORT OF THE COCONUT INDUSTRY BOARD  
FOR THE YEAR ENDED DECEMBER 31, 2018

1. PURPOSE

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, 2018. This report is being tabled in Parliament 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, including 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 promotes the interests and efficiency of the coconut industry, encourages the production of coconuts and regulates the purchase, sale and exportation of coconuts as well as the importation of the coconut products.

The functions of the Board include:

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

3. PERFORMANCE FOR THE 2018 CROP YEAR

i. **Production**

Total national coconut production in 2018 was calculated at 126.3 million nuts, with a valued of \$5.68 billion. This compares with the previous year's figures of 100.1 million nuts valued at \$4.5 billion. Production during this period was adversely affected by improper agronomic practices, lack of fertilizer and further deaths of bearing coconut trees from lethal yellowing and other diseases.

ii. **Processing & Distribution**

Production for 2018 was mainly processed/distributed by; bottlers of jelly coconut water, the Coconut Industry Board, street vendors, supermarkets and the producers of coconut oil. The portion of the crop that was processed, sold to and through the channels of the Board, in 2018, along with the four preceding years are broken out as follows:

**COCONUTS PROCESSED BY THE BOARD (Nuts)**

	<b><u>2018</u></b>	<b><u>2017</u></b>	<b><u>2016</u></b>	<b><u>2015</u></b>	<b><u>2014</u></b>	<b><u>TOTAL</u></b>
	<b><u>'000</u></b>	<b><u>'000</u></b>	<b><u>'000</u></b>	<b><u>'000</u></b>	<b><u>'000</u></b>	<b><u>'000</u></b>
St. Andrew	1	2	1	1	4	9
St. Elizabeth	178	157	173	103	105	716
St. Thomas	29	33	45	137	121	365
Portland	10	29	56	54	68	217
St. Mary	785	667	467	651	874	3,444
St. Catherine	145	116	322	135	49	767
<b>TOTAL</b>	<b>1,148</b>	<b>1,004</b>	<b>1,064</b>	<b>1,081</b>	<b>1,221</b>	<b>5,518</b>

**iii. Export**

Seed coconuts were exported to Florida in the United States of America. The total number of seed coconuts exported in 2018 was 60,000 with a F. O.B. value of US\$183,000.00.

Export of seed coconuts during the preceding four years and year ended December 31, 2018 are as follows:

<b><u>Year</u></b>	<b><u>F.O.B.</u></b>	
	<b><u>Number</u></b>	<b><u>Value</u></b>
	<b><u>Exported</u></b>	<b><u>(US\$)</u></b>
2018	60,000	183,000
2017	42,500	135,500
2016	33,000	108,500
2015	47,850	149,100
2014	52,200	169,050
<b>Total</b>	<b>235,550</b>	<b>745,150</b>

**iv. The coconut shop**

The Board purchased 926,033 coconuts from farmers at a cost of \$50,962,685 during the year (795,721 coconuts at a cost of \$46,057,458 in year 2017). The average price paid by the Board for the Maypan and Malayan Dwarf jelly coconuts was \$45.00 per nut. These coconuts and the products produced from them were sold in the Board's Coconut Shop located at its Head Office at 18 Waterloo Road, Kingston 10.

This Coconut Shop continued to be a significant market for the purchase/sale of growers' coconuts.

v. **Research**

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

The research activities undertaken during the year included:

- a) Monitoring the Brazil Green Dwarf and fifteen other varieties introduced from the Ivory Coast, Africa in 2009 for their potential to increase local coconut production.
- b) Mitigation of lethal yellowing outbreak at Plantain Garden Seed Garden.
- c) Mushroom growing project using coconut by-products.
- d) Assessment of Tall coconuts received from Thailand in 2014.
- e) Production of "Special Malayan Dwarf Yellows" at Barton Isles in St. Elizabeth and Spring Garden in Portland.
- f) Culturing of lethal yellowing phytoplasma.
- g) The effect of quality and variety of mother palms on germination and production.
- h) Coconut tissue culture.

4. **FINANCIALS**

For the year ended 2018, the Board reported revenues of \$177,326,000, which represents an increase of \$5,605,000 or 3.26%, in comparison to 2017's figure of \$171,721,000. The net surplus also showed an increase moving from \$19,447,000 in 2017 to \$419,412,000 in 2018. This increase was due primarily to the Board receiving an improved share of profits from an associated company, compared to the previous year (\$327,444,000 in 2018 versus \$205,018,000 in 2017) in addition to a gain on dilution of shares of \$241,148,000 in the associated company.

5. **WINDSTORM INSURANCE FUND**

The Windstorm Insurance Fund continued to indemnify coconut growers against the loss of bearing coconut trees to windstorm. The liability for windstorm insurance damage during the year 2018 was \$76,042,782 (Year 2017 - \$72,850,870); the maximum coverage per tree remained at \$1,000.

It should be noted, that the finances of the Windstorm Insurance Fund are kept separately from the funds of the Board and are treated as Trustee Funds.

a) **Automatic Insurance and Voting Rights**

Coconut growers earn automatic insurance and voting rights for the election of Board members, on coconuts sold to the Coconut Industry Board and licensed coconut dealers, including the bottlers of coconut water, provided the sales are reported to the Board. Automatic insurance is earned at the rate of \$65 for each 110 dry or jelly coconuts sold to the entities mentioned above.

b) **Contractual Insurance**

Registered coconut growers can purchase contractual insurance from the Board for their properties whether or not they supply coconuts to the Board or to licensed coconut dealers.

6. **AUDITORS' REPORT**

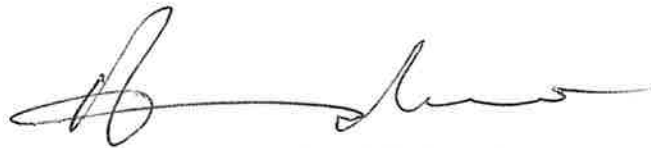
PriceWaterhouseCoopers audited the accounts and they have stated that in their opinion the financial statements gave a true and fair view of the financial position of the Board as at December 31, 2018. The auditors furthermore reported that the cash flows for the year ended December 31, 2018 are in accordance with the International Financial Reporting Standards.

7. **REMUNERATION**

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

8. **RECOMMENDATION**

The 2018 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.



Audley Shaw CD, MP.

Minister of Industry, Commerce, Agriculture & Fisheries

June 25, 2020

**DIRECTORS' COMPESATION 2018**

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 (\$)
Christopher Gentles (Chairman)	547,500.00	120,420.00	-	120,000.00	787,920.00
Stephen Black	145,800.00	59,972.00	-	-	205,772.00
Homer Davis	140,400.00	192,841.00	-	-	333,241.00
Charles Douglas	185,400.00	64,224.00	-	-	249,624.00
Sandra Ennis	253,800.00	190,235.00	-	-	444,035.00
Hugh Gentles	91,800.00	93,906.00	-	-	185,706.00
Granville Marsh	149,400.00	48,168.00	-	-	197,568.00
Frank Phipps	192,600.00	76,266.00	-	-	268,866.00
Alaric Pottinger	223,200.00	144,666.00	-	-	367,866.00
Nicholas Jones	59,400.00	24,084.00	-	-	
<b>Total</b>	<b>1,989,300.00</b>	<b>1,014,782.00</b>	<b>-</b>	<b>120,000.00</b>	<b>3,124,082.00</b>
Others*		44,154.00	-	-	44,154.00
<b>Total</b>	<b>1,989,300.00</b>	<b>1,058,936.00</b>	<b>-</b>	<b>120,000.00</b>	<b>3,168,236.00</b>

*Notes*

\* Represent compensation for Raymond Mattis (Government representative) that attends Board meetings.

\*\* Represent out-of-pocket expenses for the year.



## SENIOR EXECUTIVE COMPENSATION 2018

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	2018	7,456,899.00	796,405.00			860,118.00	120,000.00	9,233,422.00
Director of Research	2018	4,869,447.00	520,063.00			561,668.00	120,000.00	6,071,178.00
Corporate Secretary	2018	3,672,645.00	392,243.00			384,378.00	120,000.00	4,569,266.00
<b>Total</b>		<b>15,998,991.00</b>	<b>1,708,711.00</b>			<b>1,806,164.00</b>	<b>360,000.00</b>	<b>19,873,866.00</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

