

# JAMAICA LIVESTOCK ASSOCIATION LIMITED

## MANAGEMENT REPORT

The 1994/95 financial year was very challenging for the Group in all areas of its activity. Concern has not only been about profitability but moreso the very survival of livestock farming in Jamaica.

Economic prospects for the livestock industry continued to look bleak. Interest rates which diminished somewhat during the early part of the year had again risen to previous high levels before year-end. This made new investment difficult, or unlikely, and worsened the burden of existing debt.

The disadvantage to the industry was also exacerbated by the further devaluation of the Jamaican dollar and the continuing effect of inflation, on input cost factors.

On the demand or sale side, farmers have been faced with rising costs, sluggish demand, depressed selling prices and stiff competition from imports of meat and subsidized milk products, as well as the government's intended reduction in the rate of protective tariffs. As a consequence, they continue to be marginalized and the productive capital base is being eroded by the forced slaughter of animals.

The Association's responses to these threatening circumstances have been to:

- 1) Conduct and support widespread consultation and intense lobbying in order to sensitize and inform government and the public as to the dangers posed to the industry and the wider economy, by current and proposed policy measures.

- 2) Engage in, and support projects to improve sanitation, control disease and improve herd/flock quality e.g. support for the Screwworm Eradication Programme.
- 3) Participate in an extensive all-media campaign to boost the use of fresh milk.
- 4) Widen and improve the participation of farmers in the self-help efforts of the industry.
- 5) Establish, study/task groups aimed at:
  - improving production, efficiency and product quality
  - reducing cost
  - developing new marketing strategies
- 6) Focus attention on the development of survival and maintenance strategies for all sectors of the industry.

The Jamaica Livestock Association Group of Companies performed well in terms of sales volume for the year and in particular with the securing of a respectable share of the market for its newly introduced "Supreme" brand of animal feeds. It must be recognized that this was done in servicing a sector that has been literally struggling to survive.

The profit picture however has been disappointing. The group recorded a loss of four cents per share for the year. The operating loss of \$11.9 million, partly offset by capital gains of \$11.1 million is largely attributable to high interest costs, increased payroll expenses and product cost factors.

Efforts will continue to improve efficiency, reduce cost and enhance profitability.

The wharf and offloading facilities should be completed during the third quarter of the 1996 fiscal year and thereafter begin to make its contribution to income.

The Group's asset base at \$155 million, was marginally down from the previous year at \$157 million but still with strong potential for profit and growth.

As one indication of the company's confidence in its own viability, steps are being taken to launch a new branch store in Morant Bay, St. Thomas.

The future of agriculture, the livestock industry and the Association will undoubtedly be significantly affected by the policies and strategies adopted for the wider economy.

Despite the many challenges, we remain resilient and firm in our resolve to develop the necessary strategies to ensure not only the survival but viability of the livestock industry. We exhort not only members but all livestock farmers to co-operate with efforts to sustain and develop the industry, as well as maintain an adequate level of recognition.

Finally, we wish to record our sincere appreciation to our staff, our sales team, our members and customers for their commitment and support throughout the year.

**Dr. John Masterton**  
**Chairman**

**Henry J. Rainford**  
**Managing Director and Chief Executive Officer**

DIRECTORS REPORT

The Directors of The Jamaica Livestock Association Limited take pleasure in submitting their Report and Audited Financial Statements for the year ended November 30, 1995.

At the Board meeting held on July 13, 1995, Dr. John Masterton was unanimously re-elected Chairman.

At the last Annual General Meeting the following Directors, who were due for retirement, were unanimously re-elected:

Dr. John Masterton

Dr. Richard Jones

Mr. A. V. Hamilton

Mrs. Betty Wates

The following Directors are due for retirement pursuant to the Company's Articles of Association, and being eligible, will be proposed for re-election:

Mr. G.K.G. Sharp

Mr. Joseph Hendricks

Mr. Arthur E. Barrett

Dr. Keith Roache

The number of meetings of the Board and its committees which took place during the year was as follows:

Board of Directors	5	
AGM	1	
Dairy	5	+Special 2
Poultry	5	
Beef	5	+Special 1
Pig	5	