

JAMAICA LIVESTOCK ASSOCIATION LIMITED

MISSION STATEMENT

To represent the farming community, and livestock farmers in particular, in their efforts to develop agriculture as a profitable business and by so doing improve their standard of living.

To work closely with the government and to be concerned with legislation that impacts on our industry in order to protect the interests of our members and the entire livestock industry.

To ensure, as far as possible, that products of the highest standard reach the consumer and to promote this vigorously through our team of professionals for the good of the organization and for the benefit of the livestock industry and the nation.

To inform ourselves of the latest agricultural developments internationally so that our staff can be fully conversant with the various ways in which they can help to improve the life of the farming community in Jamaica.

To operate our business on a strictly commercial basis; to be scrupulously honest and straight-forward in our dealings with the farming community; to work hard to earn profits so that the company can improve its performance each year, so that members of staff can share in the rewards of improved performance.

To serve each community, wherever we are, with the highest level of professional competence and to participate in matters that relate to its specific needs and welfare.

THE LIVESTOCK INDUSTRY

The sectoral groups while attending to individual interests, also identified

areas of common concern for collective and collaborative action.

To this end they have:

1. established a relationship with the Bureau of Standards in order to improve and control the quality of feeds and also milk.
2. taken steps to widen and increase farmer/processor involvement in the activities of committees
3. established sub-committees to study and report under the following headings, ie:
 - a) Poultry Committee
 - egg production
 - broiler production
 - marketing
 - b) Beef Committee
 - Research and Development and Technology Transfer
 - cost of production
 - strategies for marketing
4. supported efforts spearheaded by the Agricultural Development Corporation to gain certification for export of meat and meat products to Caricom and other countries.

POULTRY

The Poultry Committee, in its efforts to help the industry, sought solutions, through attention to feed quality control and the establishment of sub-committees to study production and marketing.

A comprehensive poultry survey is seen as necessary and the agencies concerned including the Rural Agricultural Development Authority (RADA), are seeking to put the necessary resources in place to provide means for collecting and making information on the sector available.

Broiler Production

Production for the year was 48.78 million kg compared with 44.94 million kg in the previous year.

Local production was supplemented near year-end by limited importation of leg

quarters at tariff rates reduced from 86% to 40%.

Egg Production

At the end of the year under review, the layer population was estimated at 510,000 (1994 - 450,000).

Egg prices had moved from a range of \$36 - \$38 per dozen in November 1994 to \$48 - \$53 per dozen in November 1995.

BEEF

The concerns which affected the beef industry during the preceding two years, continued through 1995.

The threat of increased competition from imported beef posed by the government's intention to reduce prevailing protective tariffs, has remained despite constant lobbying. The overall picture in the industry has been one of decline.

The Association has continued to support initiatives which were started in previous years, and which are aimed at helping the industry. These include:

- a) The beef cattle development programme being conducted at Minard under the direction of the Agricultural Development Corporation (ADC).
- b) Continuing efforts to establish a Screwworm Eradication Programme in Jamaica under the auspices of the Food and Agricultural Organization (FAO).
- c) Efforts by the ADC to secure legislation providing for the export certification of meat and meat products.
- d) The development and promotion of Embryo Transfer Technology in Jamaica.

PIG

A review of the state of the industry during the year showed a situation of sluggishness similar to that which existed in the previous year.

Producers were faced with continuing increases in the cost of inputs,

particularly feeds, while pork prices and product demand were virtually stabilized at low levels.

The Pig Committee has focused on a number of issues to improve efficiency and/or mitigate some of the difficulties. e.g.

- a) Exploring the possibility of using indigenous materials to produce feeds and reduce cost.
- b) Giving support to consultation locally and overseas, in order to improve sanitation and control disease, in particular, the threat of Mycoplasmal Pneumonia.
- c) Attempts have been made to conduct a comprehensive pig industry survey but this has so far been delayed because of financial constraints.
- d) Provide support to establish a protocol to allow the importation of pig semen from Canada. Proper arrangements for artificial insemination are now to be made.

DAIRY

The main area of concern has been the threat to the viability and even existence of Jamaican dairying posed by the impact of imported subsidized milk powder. This situation was reported on last year, and has continued despite intense consultations, lobbying and media activity to convince and sensitize government and consumers about the disadvantages to the economy of a destroyed or declining dairy industry.

The process of consultation, review and decision-making by government has been protracted. In the meantime, farmers are being marginalized by rising costs and reduced demand for fresh milk.

In addition to the written and verbal representations made to the government, the Dairy Committee has taken the following steps to help the industry:

- a) The successful implementation during the year of an aggressive all-media advertising programme to boost the use of fresh milk. This was done through Grimax Advertising Limited, at a cost of \$3.5 million. This programme is being extended with some modification into 1996.

- b) Improvement in the dissemination of relevant information to the farming community e.g. through the publication of a newsletter.
- c) The implementation of a herd/milk data recording scheme, which is available to all dairy farmers at what is considered reasonable cost.
- d) The issue of press releases through the print and electronic media to sensitize the general public to the issues involved.

In order to support the advertising campaign, the dairy cess to farmers and processors was increased from two cents to five cents each per litre with effect from March 1, 1995.

The farm gate price of fresh milk was increased by \$1.00 per litre with effect from March 1, 1995 and by another \$3.00 in October 17, 1995 taking the price to \$17.64 per litre.

Commercial Operations

Total sales were \$357.8 million compared with \$253.5 million in 1994.

Feed sales increased from \$90.3 million in 1994 (eight months) to \$163.8 million in 1995.

The reception in the market to our "Supreme" brand of feeds continues to be very good. Feed sales represented 45% of turnover in 1995 and are projected to represent 57% of turnover for 1996.

Production of feeds in November 1995 had reached a level of 20,000 tons per year compared with 12,000 tons per year in November 1994.

As the feedmill approaches its rated capacity the resulting economies of scale should lower production unit cost.

The Group had an operating loss of \$11.9 million for the year (1994 - profit of \$1,397,000 before tax). This was offset by capital gains of \$11.1 million from the sale of fixed assets (\$9.3 million) and investments (\$1.8 million) resulting in a net after tax loss of \$773,000 or loss per share of four cents.

The company's property at Manchester Road, Mandeville which was sold has been retained under a lease agreement without any change in the branch store operation.

The operating loss of \$11.9 million is partly attributable to constrained profit margins while being faced with a deteriorating exchange rate and unusually high price increases on imported inputs such as corn and soyabean meal.

Other significant expense factors were high interest costs and increased payroll costs.

Efforts were made and are continuing to improve efficiency in the areas of:

- Production
- Marketing and delivery
- Inventory control

These measures have already shown significant positive results particularly since the start of the current year.

The Association paid dividends of \$1.3 million, the same amount as in the previous year.

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- Managing Director & CEO

AUDITORS

KPMG Peat Marwick
Chartered Accountants
6 Duke Street
Kingston

ATTORNEYS-AT-LAW

Myers Fletcher and Gordon
21 East Street
Kingston

Clinton Hart & Co.
58 Duke Street
Kingston

Patterson Phillipson & Graham
6th Floor, First Life Building
60 Knutsford Blvd, Kgn. 5

BANKERS

The Bank of Nova Scotia Jamaica Limited
Newport West
Kingston

REGISTERED OFFICE

Newport East
P.O. Box 36
Kingston

REGISTRAR AND TRANSFER AGENTS

The Bank of Nova Scotia Trust Company Jamaica Limited
30 Duke Street
Kingston

COMPANY SECRETARY

Alfred S. Johnson B. Comm.

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Stephen Smith
Mark Campbell
Dorothy Menzies
Howard Shirley
Julio Forbes
Bobby Stephenstine

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STOCKHOLDINGS OF DIRECTORS AND SENIOR MANAGERS

DIRECTORS	DIRECTORS & SENIOR MGRS.	CONNECTED PERSONS
Henry J. Rainford	1,072,145	2,022,520
Alexander V. Hamilton	849,186	459,375
Dr. Franklin Johnston	192,508	
Dr. Richard Jones		164,781
Dr. John Masterton	150,386	
Dr. Keith Roache	21,250	
Dr. Karl Wellington	1,942	
Joseph Hendricks	1,500	
Betty Wates	1,500	

SENIOR MANAGERS

Altamont P. de la Motta	9,185
Herma Thame	2,000
Dr. Robert Thomas	10,350

JLA OFFICERS

Henry J. Rainford
 Managing Director & CEO

Joyce Perkins
Executive Secretary to Managing Director

Alfred S. Johnson, B. Comm.
Accounting Manager
Company Secretary

D. Robin Shaw
Accountant

Altamont P. de la Motta
Commercial Manager

Herma L. Thame
Electronic Data Processing
Manager/Credit Controller

Hoilet Wilmot
Manager, Customer Service

Deseree King B.Sc
Marketing Research Officer

Bertel Brown B.Sc.
Secretary to Breed Societies

Shawn Griffin
General Manager, JLA Feeds Limited

TECHNICAL REPRESENTATIVES

Dr. Robert A.W. Thomas
B.Sc., BVSc.
Veterinary Officer

Lanford Gardner, B.Sc.
Field Supervisor

Mel Lumley, Dip. Agric.
Dip. Mgmt. Studies
Field Officer

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Altamont P. de la Motta	

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