

# **Grenada Cooperative Nutmeg Association (GCNA)**

**Press Brief – October 23, 2012**

## **1.0 Introduction**

This press conference is convened by the Board of Directors of the GCNA to provide an update on its performance involving key business activities and to publicly launch two Programmes which are directly beneficial to nutmeg farmers.

Since the last press briefing on May 4, 2012 the GCNA has convened its annual general meeting of farmers at which time a new board was elected to run the affairs of the Association; completed another financial year ended June 30, 2012 which showed improved financial performance over the previous year; adopted the nutmeg sector development strategy prepared by a broad based committee appointed by the Cabinet; and provided strong support to the nutmeg festival spearheaded by the Ministry of Agriculture.

All of this is being done in keeping with the board's mandate to maximize its revenue generation and at the same time ensure the sustainable growth and development of the GCNA.

## **2.0 Financial Performance**

For the financial year ended June 30, 2012 preliminary figures show that gross sales amounted to \$19.3 million leaving net surplus in excess of \$6.0 million. This represented a significant improvement in the GCNA's financial performance over 2011. While no pronouncement will be made at this time regarding Christmas bonus payments to nutmeg farmers, it is reasonable for the farmers to expect a hefty "payout" in the month of December after allocation is made for the developmental aspect of the GCNA.

## **3.0 Advance Price for Nutmegs and Mace**

The GCNA continues to pay the following advance prices to farmers who currently deliver their nutmegs to the Association:

- Green Nutmegs **\$5.00/lb**
- No. 1 Mace **\$10.00/lb**
- No. 2 Mace **\$4.00/lb**
- No. 3 Mace **\$2.00/lb**
- Grinders **\$1.00/lb**

These prices remain the best ever paid to farmers.

#### **4.0 Production**

The quantity of nutmegs delivered by growers for the last financial year continues to hold steady at about 400 tons while that of mace also held steady at about 25 tons when compared to the previous year.

#### **5.0 Quality Level of Nutmegs**

The quality of nutmegs processed showed that the primary grades were “**Selected**” and “**Suns**” which collectively accounted for about **85%** of the total quantity of nutmegs processed. This reflected continuous improvement in the overall quality level of processed nutmegs which may be attributed to increased level of care during harvesting, processing, and the preference of our buyers.

#### **6.0 Solar Drying**

The Board has worked along with Dr. Buckhardt, of St. George’s University in an attempt to reduce the curing time for processed nutmegs. After 3 separate tests, results show the processing time can be reduced from the current period of 8 to 3 weeks with the resulting quality consistent with that of the normal drying process. The results are tremendously encouraging and plans are being instituted to expand the process which augurs well for the future.

### **7.0 ASSISTANCE TO THE FARMERS**

There is a need to accelerate nutmeg planting in the field and GCNA has provided support in the past and continues to provide support for the replanting program in the field in order to increase overall production levels to restore Grenada to the prominent position it once held as a major nutmeg producer.

#### **7.1 Farm Loan Programme for Farmers**

Farmers currently producing nutmegs and selling to the Association can benefit from this loan facility. Selling nutmegs to the association is the only qualifying requirement and farmers can borrow up to \$1,500 interest free to meet production expenses. Repayment is done through deductions from income realized when the farmer sells his nutmegs to the Association. An amount of \$50,000 has been allocated to start this programme and already fifteen farmers have benefitted.

#### **7.2 Farm Labour Support Programme**

The GCNA has allocated a sum of **\$200,000** as grant funds to provide assistance to farmers to allow them to ease the burden of high expenses in operating their farms as a business. Farmers can benefit from a number of ways:

- i. Up to two “working days” of work from a work team comprising of four men engaged by the GCNA – equivalent to eight man days
- ii. Farmers can provide the labour themselves or using their own hired labour, once prior approval has been granted, and they can also benefit from the equivalent of eight man-days.

The Programme covers transplanting of young nutmeg trees in the field with advanced growth, land clearing and weed control, drainage, tree pruning - as the farmers’ deem necessary.

### **7.3 Experiment with Possible solutions to Combat Nutmeg Wilt**

The Board allocated funds about \$25,000 to purchase recommended materials to conduct a pilot program for treating the nutmeg wilt. The experiment is ongoing on a number of farms affected and these fields are closely monitored for progress in finding a solution to this long standing problem.

### **7.4 Farm Competition – Nutmeg Festival**

The GCNA with support from some of its business partners will finance the farm competition which forms part of the nutmeg festival and seeks to reward the hard work of farmers in rebuilding the industry. The cost of this programme is \$35,000 and about 20 farmers will benefit from very attractive prizes. Special thanks is extended to the business partners of GCNA for their support – Halford Lewis and Sashi Foods Inc. from Canada, FCIB and Grenada Cooperative Bank.

## **8.0 Real Estate Management**

Further progress has been made in this area. Several new Tenants have recently taken up accommodation or are in the process of taking up accommodation at the Commercial Complex both in Lagoon Road and in Jubilee Street in Grenville. While some work still remains to be done to ensure success in this area, there is definitely heartening improvement in the performance of this important area of business.

## **9.0 Capitalization**

The long outstanding issue of Capitalization remains a priority item for the Board of Directors and a major area of concern of the farmers.

After further consultation held with both the GCNA’s financial and legal advisors on the matter a special general meeting will be held with the farmers on or about November 15, 2012 to hold further discussions before reaching a final position for presentation to the Government for their consideration. Success in this area will be a major boost to the psyche of our nutmeg farmers.

## **10.0 Science and Technology – The Way Forward**

Priority attention is currently being given by the board to promote future development/ Value- added projects in the following areas:

1. Production of nutmeg oil
2. Commercial grinding of nutmegs and all other spices for both the local and foreign market
3. Modernisation of the Processing plants at Gouyave and Grenville to ensure conformity with HACCP and other international standards
4. Enhancement of the drying process for nutmegs using solar energy.
5. Branding of the “Grenada Nutmeg”

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