

# GUYANA SUGAR CORPORATION LIMITED



REPORT AND ACCOUNTS 1981

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# GUYSUCO'S MISSION

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The Mission of Guysuco is to transform a monocultural organisation into a diversified agro-industry, which will not only contribute to the Nation's foreign exchange earnings, but will maximise the benefits of the foreign exchange cost of the Corporation by utilising its resources to produce crops which will help the Nation in its import substitution programme.

As an efficient agro-business, its Mission will be to demonstrate to the communities in which its operating units are located, the techniques developed for the cultivation of various crops. As a well-developed agro-business the Corporation will also continuously strive to refine its products and to utilise the by-products of its operations for vertical integration and expansion.

In its activities the Corporation will work for greater participation and involvement of all the people who comprise its work force in achieving its objectives which have been set in consonance with the philosophy and aspirations of the Nation.

# BOARD OF DIRECTORS

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<b>Chairman</b>	<b>H.B..Davis, CCH, MA, BSc.</b>
<b>Vice Chairman</b>	<b>Yesu Persaud, AA, FCCA.</b>
<b>Directors</b>	<b>J.S.L. Browman, DECIAF, BSc., MSc., DPA. B. Chandra, DECIAF. A.Y. Luck, FCA . I.A. McDonald, MA . F. Sukdeo, MA, BSc, D Phil. W.E.H. Tyrell J.R. Vieira, AA . V.M. Young-Kong, BSc.</b>
<b>Secretary</b>	<b>V.J. Correia</b>

# CHAIRMAN'S STATEMENT



## FINANCIAL RESULTS

Contrary to our expectations in the early months of 1981, based on the favourable underlying world-wide balances between production and consumption of sugar, the average world price for sugar did not remain firm, but continued to fluctuate downwards rapidly during the year. The result was that the average overall prices for our sugar in 1981, instead of being higher than 1980, as anticipated, were worse than those received in 1980. In addition, molasses prices fell significantly; the weather continued in its unpredictable vein; the re-alignment of the Guyana dollar to a basket of currencies produced an exchange loss for the Corporation; and the deteriorating value of the Pound Sterling in relation to the basket of currencies, failed to produce the additional gains anticipated from the export of our sugar to the UK/EEC market.

The result was that, despite a production of 300,790 tons sugar, which was 11.55% higher than that in 1980, the above factors, which were all outside the control of the Corporation, combined to produce Group sales totalling \$316.7M, \$12.1M less than the \$328.8M realised in 1980, and a loss on the Corporation's operations amounting to \$82.3M after extraordinary item compared with a surplus of \$5.3M in 1980 before the payment of a dividend. This was therefore a most disappointing year for the Corporation.

Some of the items contributing to this deficit were:-

Subsidy on local sales of sugar	\$33.7M
Exchange loss on re-alignment of Guyana dollar	\$20.6M
Net interest charges	\$22.9M
Provision for ex-gratia pensions - recoverable from Price Stabilisation Fund	\$7.5M

The gross foreign exchange earnings of the industry amounted to \$293.6M, compared with \$304.3M in 1980. This reduction in foreign exchange earnings masks the tremendous efforts made in producing sugar under the unfavourable harvesting conditions in the early part of the year, and the deft balancing act of matching production with marketing commitments and shipping schedules to ensure a steady flow of badly needed foreign exchange into the country. Unfortunately, in one respect these efforts contributed to our increasing cost of production since discounting our proceeds to accelerate the flow of foreign exchange led to reduced earnings.

Although the Corporation's authorised Capital Expenditure for 1981 was \$25.0M, we were only able to spend \$15.8M, compared with \$15.5M in 1980. In a large measure, this underspending is due to the long lead time in securing pieces of heavy equipment. An example of this is that equipment valued at some 66% of the \$12.3M available under an Agreement for financing a part of our 1980 Capital Programme is due to arrive in the country in the course of 1982.

This, together with the restriction imposed on our Capital Expenditure Programme, has resulted in considerable slippage in our efforts to accelerate the replacement of agricultural equipment, plant and machinery. As indicated, we are still awaiting items ordered under our 1980 Capital Programme. There is no doubt that this will be reflected in the Corporation's performance in the field and factory. The Government-approved Capital Expenditure of \$17.2M in 1982 will not make much of an impact on the situation, since the bulk of this amount will be spent on items ordered in 1980 and 1981 and not yet delivered.

Our total borrowing position at the end of 1981 was \$171.2M or \$82.0M more than that at the end of 1980. This reflects the Corporation's deteriorating liquidity position, which to a large extent has resulted from the cumulative effect of the ever increasing subsidy on the local sales of sugar borne by the Corporation. Despite the high rate of inflation in the cost of all of our production inputs, the efforts of the workers have been successful in increasing productivity, which held the cost of producing sugar, including interest charges, to an increase of some 3.29% over that for 1980. The average selling price received for our sugar from all our markets was less than our cost of production. Consequently, the widening liquidity

CHAIRMAN'S STATEMENT Continued

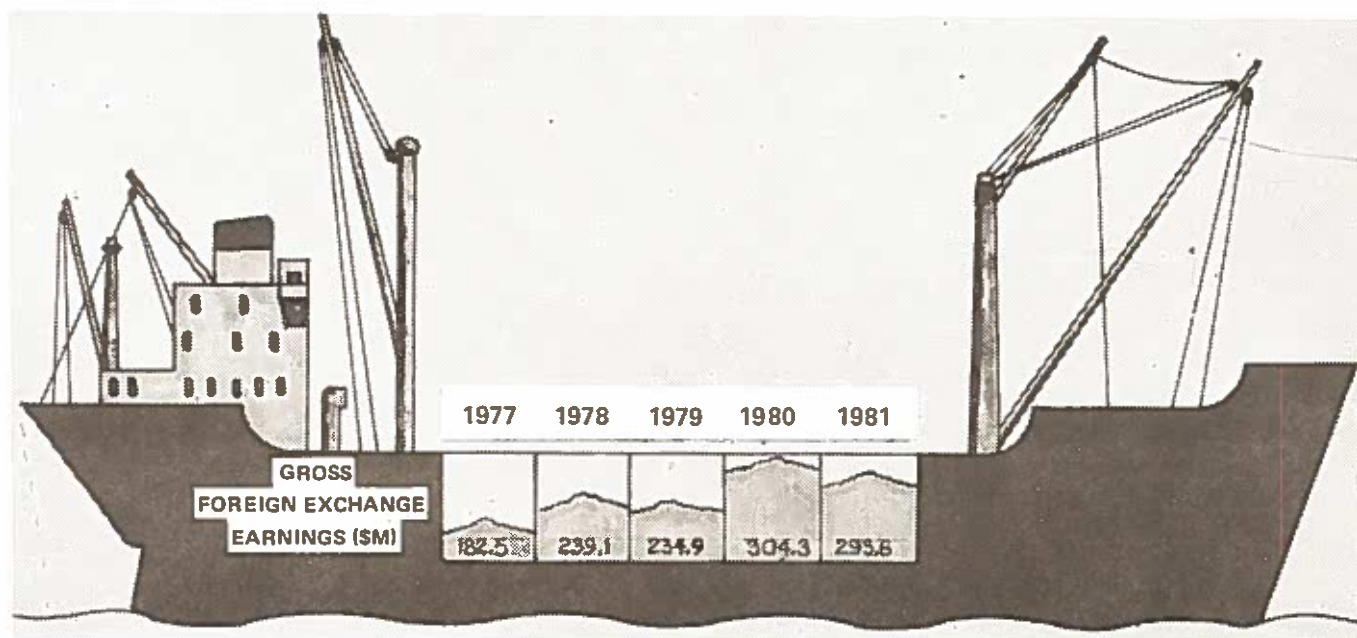
gap between expenditure and receipts necessitated extensive borrowing from both the local banking system and overseas lending institutions. Because of the low level at which our local overdraft facilities were pegged, the Corporation found itself having to resort more and more to the overseas lending institutions, whose charges were substantially higher than their local counterparts.

The fact that we were successful in negotiating such loans overseas attests to the Corporation's credit worthiness, but the total interest charges for the year amounted to \$22.9M compared with \$14.4M in 1980. This was a substantial expense item in our operations. Our liquidity position will therefore continue to be a major constraint during 1982.

to harvest 9,288.1 acres of the projected estates' crop. The shortfall from this and farmers' production totalled 29,592 tons sugar, which was 21.2% less than the original estimated first crop production.

Harvesting conditions were favourable for most of the second crop. Although farmers again produced less sugar than that estimated, the estates, by harvesting more acres than budgetted, produced 4,313 tons more sugar than their estimated production. Accordingly, the second crop production of 191,070 tons sugar was 2.3% more than the original estimate of 186,757 tons.

The total production for 1981 reached 300,790 tons sugar,



SUGAR CULTIVATION

Although a little wetter than 1980, the total average rainfall over the sugar belt was four inches less than the historical average precipitation. The weather was favourable for harvesting when the first crop commenced in mid-February, and these conditions improved in March, which was very dry throughout the sugar belt. Unfortunately, the mid-year rains commenced early in April, which turned out to be the wettest month of the year. This not only adversely affected cane quality which had responded to the dry conditions in March, but it made harvesting difficult and more costly. Despite this, policy dictated that production should continue, and the first crop ended in mid-May.

This meant that the major portion of the crop was harvested under unfavourable conditions, and despite the decision to continue production well into the rains, we were unable

compared with 261,289 tons in 1980. Cane farmers' contribution to the total was 39,501 tons sugar or 13.13% of the total production.

The ripening process and the juice quality of the cane were adversely affected by rainfall which seriously interrupted the traditional dry periods of the year. These interruptions also impeded land preparation and the replant programme, which contribute to the overall improvement in cane production per acre. The performance and yields of the ratoon crops are also adversely affected when the preceding crop is harvested under wet conditions. As it turned out, only 61.4% of the tillage programme was completed, 25.6% in the wet conditions of the first crop, and 35.8% in the drier conditions of the second crop in which the tillage opportunity days were still reduced by intermittent showers. 52.9% of the planting programme was achieved, and this was almost evenly spread between the two crops.

## CHAIRMAN'S STATEMENT Continued

The cumulative effects of these constraints will be reflected in the performance of the 1982 first and second crops.

The successful production of increased yields in plant cane on the commercial plots at Uitvlugt and Enmore, in 1980, after improved supervision to ensure the adherence to the established agricultural practices and the timely application of the necessary inputs, was repeated this year at Diamond, Albion, Blairmont and Rose Hall. However, the yields of the first ratoon crops at Uitvlugt and Enmore showed a steep decline, and the reasons for this are being investigated. Based on these results, a minimum plant cane yield of 40 tons to the acre is required of estates.

The monitoring of these yields has shown that there was some general improvement in plant cane yields in 1981, compared with that in 1980. There is, however, room for further improvement, since 51% of the plant cane reaped in the 1981 first crop, and 56% of that harvested in the second crop, were below the minimum standard set.

Apart from evaluating the rate of deterioration of chopped cane, compared with whole stalk cane, in furtherance of our efforts at mechanisation, two 'Field Days' were held at the Diamond Pilot Project during the second crop. The Corporation's senior personnel who were invited to these demonstrations observed the most up-to-date systems and equipment developed to suit the local conditions, which included equipment for mechanical planting, fertiliser and herbicide application, harvesting and sprinkler irrigation. The very positive conclusions which flowed from the discussions which followed the 'Field Days' will be taken into consideration in the evolution of our field mechanisation policy.

The facilities of the Sugar Experiment Station were extended during the year to accelerate the breeding programme to select new cane varieties which are resistant to the diseases which have robbed the industry of so many of its high yielding varieties over the last six years. The eradication of the susceptible varieties from the cultivation continued. Work also continued on the biological and chemical control of the major pests which affect the cane and other crops cultivations. The control of the dominant weeds in the cultivation suffered some set-back, however, when the relevant chemicals were not available during the year for application on a timely basis in the fields.

The proper monitoring of the formal nutrition trials, and the institution of nutrition reference plots on most estates, which commenced late in 1980 with the appointment of a Nutrition Agronomist, suffered a set-back when the Nutrition Agronomist resigned late in 1981 before his efforts produced substantive results.

We were however successful in recruiting a Soils Scientist/

Biochemist and an Entomologist to strengthen our Agriculture Research section. Work has commenced on determining the extent of soil salinity on the Corporation's estates. In addition, the properties of limestone as an alternative for aragonite were investigated, and some savings will be effected by using this instead of aragonite in the treatment of our soils. Our several methods for the analysis of the quality of cane juice and sugar were evaluated, and the modified methods have been compiled into a formal document.

Our efforts at encouraging cane farmers to rehabilitate and extend their cultivations have, with the assistance available from the Guyana Agricultural, Industrial and Development Bank, achieved modest success with an increase of some 198 acres in farmers' acreage under cane, mainly in the Berbice area. An Agronomist has also been made available by the Corporation to assist farmers in upgrading their cultivations. Unfortunately, the cane farmers, like the Corporation, have had a lean period this year, compared with 1980, since the price paid for their cane is directly related to the average price received by the Corporation for sugar sold.

#### OTHER CROPS CULTIVATION

The unpredictable weather pattern, the inadequate supply of electricity, the delays encountered in upgrading the oil mills at San Jan and Wauna, and predators, all combined to produce an unsatisfactory performance in our production of legumes, cassava flour, palm oil and fish. New ground was however broken by the Corporation in the planting of rice at Manarabisi.

The cassava mill at Kaituma relied almost exclusively for its supplies from the State Farm there. At Charity the mill operated at 6.7% of its capacity, and the reduced supply of wet cassava roots, compared with 1980, suggests that the price increase granted farmers in 1980 did not stimulate increased deliveries to the mill. Of significance, however, was the increased yields of 11,000 lbs. - 26,000 lbs. of cassava per acre obtained by the Pomeran farmers, from the improved cultivars provided them, compared with yields of 5,000 lbs. per acre obtained from the traditional varieties used in the area. Hopefully, this increased productivity will improve the farmers' returns from the existing price, and result in increased deliveries to the mill. It is also hoped that the electricity supply at both locations will improve to facilitate a more regular operation of the mills.

Palm Oil production was curtailed by the performance of the mills. 13 weeks' production was lost when the old mill at San Jan was closed, and the extraction rate of the Wauna mill averaged 14.5% compared with 17.6% in 1980. In addition, to routine maintenance, the cultivation at Wauna has been further extended.

## CHAIRMAN'S STATEMENT Continued

Although the weather curtailed production of corn and black-eye peas, worthwhile increases in production were obtained from mung, urid and onions. Severe losses from predators were, however, experienced in the onion and fish cultivations, particularly in the flood-fallow cane fields.

## FACTORY OPERATIONS

The signs of improvement in factory performance seen in 1980 continued during the year. The slight reduction in factory down-time realised in 1981, compared with that in 1980, would have been significantly better, were it not for the considerable amount of time lost for mechanical reasons over a two-week period at three locations. Throughput was only surpassed in 1970 and the amount of cane ground during the year was the third highest amount in the history of the industry.

Because of the amount of time lost for mechanical reasons and out-of-cane intervals, the factories were operated for 40 weeks to attain the level of production achieved. The factory staff are therefore to be commended for keeping the factories in operation, and completing the required maintenance in the limited period between the closure of the 1981 crop, and the commencement of operations in 1982. The average tons cane per ton sugar was the highest recorded by the industry. The pol. percentage of cane dropped from 9.50 in 1980 to 9.28 in 1981. Better recoveries were, however, achieved in the boiling house, although mixed juice purity averaged 76.56 which was lower than the average of 76.68 in 1980, and only the very disappointing performance of one location, caused the slight drop in reduced extraction from 17.87% in 1980 to 17.73% in 1981.

The Equipment Conservation Centre came on stream during the year. Unfortunately, because of certain constraints, only three of the ten applications planned have been implemented. Steps have been taken to provide the necessary inputs to introduce the other applications. These applications of the E.E.C., together with the services of the upgraded factory workshops, will make possible the rehabilitation of a wide range of factory components, and so effect savings in foreign exchange.

Some success has been achieved in reducing the consumption of fossil fuels in the factories. In addition to extending our efforts in this area, attention will also be directed to reducing the consumption of such fuels by the agricultural machines in the field.

## MARKETING

In 1981, the average earnings per ton of sugar declined below the cost of production. We were, however, successful in arranging to make substantial shipments to the U.K. in 1981

towards our 1981/82 E.E.C. quota, and this helped to a certain extent to cushion the adverse effects of falling prices in the world market, which averaged U.S. 16.83 cents per pound in 1981, compared with U.S. 28.69 cents per pound in 1980.

The difficulties which we faced in marketing our sugar in the E.E.C. within recent years increased in 1981 with the protracted negotiations over the increase to be paid for A.C.P. sugar by the E.E.C. in 1981/82. These negotiations were not concluded until some seven months after the effective commencing date. The release of E.E.C. excess sugar on to the world market became ominous in 1981. In the last six years, the E.E.C. sugar surplus has grown from virtually nothing to 6.8M tonnes in 1981/82. This huge uncontrolled surplus has been one of the main contributory causes to the slump in the world price of sugar.

Although G.S.P. treatment in the U.S. market allows Guyana sugar to earn an additional U.S. \$63 per ton over the world price, the U.S. Government has been increasing its protectionist policies born out of increased production of HFCS sweeteners and pressures from domestic sugar producers desperately defending their position in the face of low world sugar prices. Of real concern to us is an authoritative study produced by the U.S. State Department, which indicates that access to the U.S. Market may be reduced by 50% by 1985, if present U.S. sugar policy is continued, and may disappear entirely a few years later.

In 1981, Guyana and Guysuco's representatives continued to be active in maintaining our international links with other sugar-exporting countries. The Chairman of Guysuco continued in the position of Chairman of the Sugar Association of the Caribbean, and the Administrative Director was appointed Chairman of S.A.C. Marketing Committee. Our representatives continued to play a leading role in the A.C.P. Sugar Subcommittee in Brussels, and maintained regular contacts with the I.S.O. Secretariat in London. We were also represented at meetings of GEPLACEA held in 1981, and we organised in Guyana the first GEPLACEA International Sugar Marketing Seminar to be held, so far, in an English-speaking country. It is vital that we strengthen these regular International contacts since, more than ever, sugar marketing strength lies in a united approach by all sugar-exporting countries.

## STAFF AND INDUSTRIAL RELATIONS

Among the senior managerial staff members who left the Corporation in 1981 were some with less than five years' service. These are persons who were trained to replace experienced personnel who had already left the organisation. There is also a steady loss of experienced persons from the junior managerial ranks, some of whom had been identified and trained for advancement in the system.

## CHAIRMAN'S STATEMENT Continued

In an effort to correct the deterioration in the quality of our performance arising from the cumulative loss of experienced personnel from every category, we have continued to train the existing staff both in the class-room and in the work situation, in all areas of our operations. In addition, we have introduced and are extending our documentation of standard procedures and practices in all critical areas. Our Apprentice Training Scheme continues to provide us with skilled artisans. We continue to offer scholarships to suitably qualified workers at the Guyana School of Agriculture, the Eastern Caribbean Institute of Agriculture and Forestry, and Cadetships to the University of Guyana and/or overseas Universities, in fields relevant to our needs. In addition, workers can and do take advantage of our Assistance to Study Scheme to upgrade themselves by correspondence courses in areas relevant to our needs.

To ensure that the organisation maintains acceptable standards of managerial and technical expertise, we continued our policy of recruiting on secondment, experienced specialist personnel from overseas, and to send selected executives overseas for specialised courses, attachments and visits to organisations engaged in pursuits similar to ours, or which manufacture equipment and machines used by us.

Our internal and external communications media continued to function effectively. Although the three recognised Unions in the sugar industry accepted, with certain reservations, the Constitution for our Worker Participation Scheme, we were able, with their support, to replace the participative committees with Workers' Councils, which have elected non-management members, in November, 1981. On each estate there are three Departmental Workers' Councils in respect of the Field, Factory and Office, and an Estate Workers'

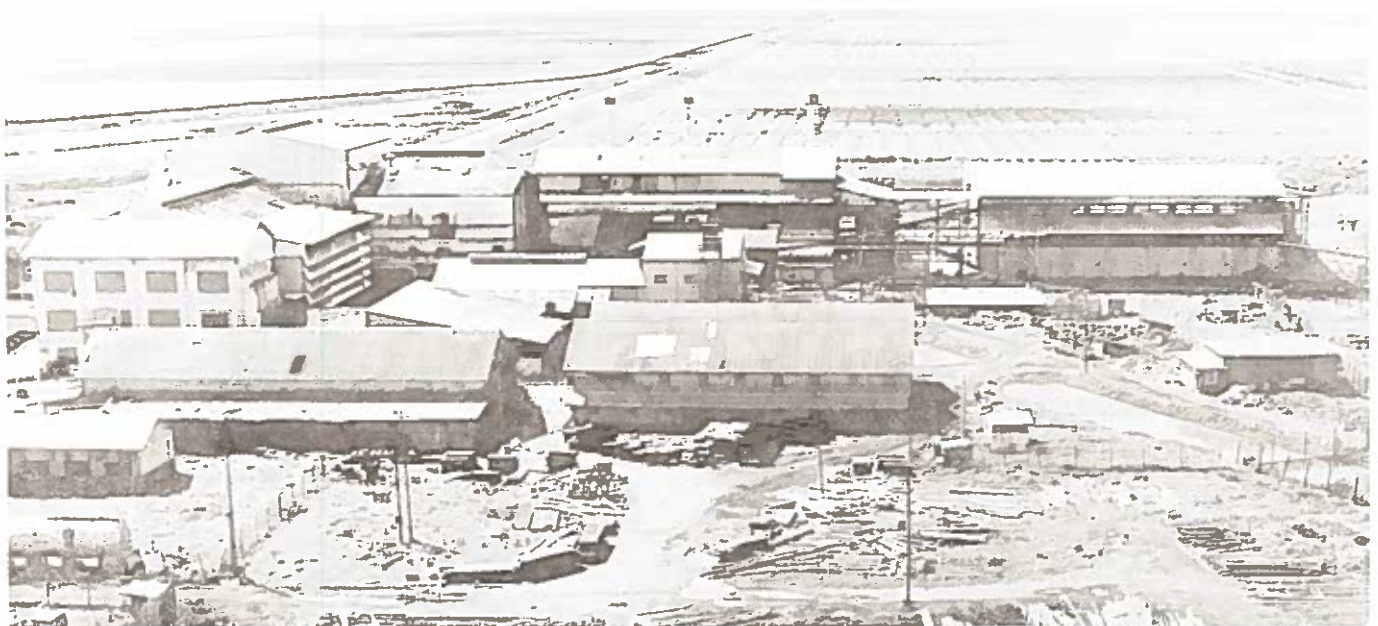
Council. These Councils have all got off to a good start and, based on their performance, this form of Worker Participation will be extended to the higher decision-making levels of the Corporation.

The Honours Roll Scheme continued to prove its worth as a non-monetary incentive measure in motivating workers towards greater production and productivity. The Berbice Region once again provided the Industry's Champion Estate in Albion, which won the Shield for the second time. The Workers' Councils participated in the selection of the Champion Worker for each estate.

On the basis of the Annual Production Incentive Scheme agreed on with the Unions, the year's production of 300,790 tons sugar earned all qualified sugar workers a tax free incentive of eight days' pay, with higher amounts based on the performance of the individual estates. In addition, the Monthly Production Incentive Scheme, which was introduced in the 1980 second crop, was continued this year. All estates, with the exception of Wales, qualified in varying degrees for incentive payments based on their monthly production.

We are happy to note that there was a significant improvement in the safety performance in the field and factory in 1981, compared with that of 1980. Sad to say, there was a big increase in the number of accidents involving vehicles in 1981, compared with those reported in 1980. Steps will be taken to correct this since most of the accidents were attributable to the performance of the drivers of the vehicles.

The Corporation's Health Services were strengthened during the year with the recruitment of two Medical Officers, and the para-medical staff was increased through the assistance provided by the Ministry of Health.



*Albion - 1981 Champion Estate*



**CHAIRMAN'S STATEMENT Continued**

Despite the constraints of finance and the weather, the interstate sports competitions and some special athletic events were held. The Corporation also participated in the National Amateur Association's events and the Public Sector Games. The high point of the Corporation's sporting activities was the tour of Jamaica by a Guysuco Team in return for a visit to Guyana by a team from the Clarendon Sugar Company. The Corporation's team was successful in retaining the Trophy for competition between the two countries.

With the approval of the Government, the Corporation implemented increases based on the wage/salary of employees at 31st December, 1980, in the Other Crops and Sugar Divisions, or assessed increments, whichever was higher. These adjustments increased the minimum wage in the Other Crops Division from \$11.55 to \$12.70 per day, and that in the Sugar Division from \$12.60 to \$14.27 per day.

Industrial relations were relatively stable throughout the year, notwithstanding an increase in the man-days lost through work stoppages and strikes. New Agreements were also executed with the Unions in the Sugar and Other Crops Divisions during the year.

**THE FUTURE**

In keeping with the fluctuating fortunes of sugar, we are faced in 1982 with keeping tight control on the liquidity position of the Corporation while at the same time maintaining its assets and keeping the cultivation in good heart in anticipation of better marketing conditions. The world price of sugar has continued to fall and has at the time of writing reached the lowest level during the last two years. The E.E.C. has decided to stockpile some of its huge surplus sugar and it is hoped that it will be persuaded to join the I.S.A. and accept its discipline of maintaining stocks and restricting sales on the world market. At the same time it is anticipated that the low world price will influence some increase in sugar consumption and that additional growth in consumption will develop as the industrialised countries come out of the depression of the last two years.

Despite the steadily rising costs of all inputs due to inflation both locally and overseas, the industry has maintained its efficiency. Its cost of production, though higher than the average price received for our sugar, compares favourably with that of sugar industries elsewhere.

We aim to contain our losses by:

- (a) curtailing expenditure in all non-production areas even to the extent of reducing the number of our employees;
- (b) concentrating on improvements in field and factory

and those agricultural practices which will increase yields of sugar per acre;

- (c) stabilising production for the time being and improving our economic returns by increasing productivity on the better yielding soils in the cultivation; and
- (d) seeking the assistance of our shareholders in reducing our expenditure on goods and services to the community which falls within the purview of the Central Government and is outside of the responsibilities of a good corporate citizen.

For the third year in succession, the 1982 first crop has been plagued by unseasonal rain which has adversely affected cane quality, impeded harvesting operations and seriously curtailed the tillage and replant programmes. It is hoped that the industry will enjoy better weather conditions in the second crop and that the full potential of this crop will be realised to enable us to make good the deficit in the estimated first crop production and attain our projected production of 310,000 tons sugar in 1982. Although some attempts will be made to restore the crop balance for 1983, it is feared that the compaction of the soil from harvesting under wet conditions and the lengthened ratoon cycle of the first crop cane, due to the shortfalls in the first crop tillage and replant programmes, will affect yields in the 1983 first crop.

It cannot be over-emphasised that the timeliness of the application of the agricultural inputs is an essential pre-requisite to the economic production of a good crop. Much as we are allocated a goodly portion of the scarce foreign exchange available to the nation, we have experienced some difficulty in obtaining badly needed agri-chemicals for weed control and certain critical spares and supplies for rehabilitating the factories during the coming out-of-crop period. We hope for a favourable solution of this dilemma and that current negotiations will enable us to supplement the \$17.2M allocated in the 1982 Budget for the industry's Capital programme to enable us to procure much needed machinery and equipment due for replacement.

The cultivation of rice at Manarabisi, in furtherance of our agricultural diversification programme, has been successful. Arrangements are being made to produce a second crop from the present acreage after introducing certain refinements in the land preparation. The production of legumes and corn will not be neglected. In fact, given more predictable weather conditions, we propose to produce corn and legumes in rotation on the same land and to cultivate these crops on land temporarily thrown out from cane in the consolidation process. Consideration will also be given to cultivating rice in sugar cane fields when the programme of converting the existing bed systems to ridge and furrow layouts recommences. Despite the disheartening losses from predators,

## CHAIRMAN'S STATEMENT Continued

arrangements are being made to expand the acreages in onions and fish-ponds. It is also hoped that the present problems affecting our cassava flour and palm oil installations will be sorted out quickly and will be reflected in increased production of these items in 1982.

The industrial relations climate of the industry has deteriorated in the course of the 1982 first crop largely for reasons unconnected with the industry. We can only hope that the Unions and the workers in the industry will recognise that particularly at this stage in the life of the industry, strikes are not in their best interests and that most of the present irritants of shortages in consumer goods can be largely alleviated by increased production in this and the other foreign exchange earning sectors of the economy.

In 1981 there was increased productivity in the acres harvested and the tons sugar produced per man unit. This no doubt has been due in part to the production incentive schemes in operation during that year. These schemes will be continued in 1982, when it is hoped that production incentive schemes for field workers, other than cane harvesters, factory and office workers will be approved, and that these will induce increased productivity in all areas of the industry's operations.

A new model of worker participation has been successfully established in the industry in 1981. A preliminary assessment of the operation of the various levels of workers councils has shown that the elected worker representatives have approached their task with a sense of responsibility. There is no doubt that, with the necessary training, which will be imparted to the members of the Workers Councils in the course of 1982, this model of worker participation can be extended to the regional and central levels of decision-making in the industry. This step will help to maintain the existing high morale and dedication of both management and non-management workers on whose shoulders the future of the industry rests.

The problems which face Guyana and Guysuco are great. I believe that we in the Sugar Industry have the resilience to overcome these problems. We do not minimise the problems facing sugar in the foreseeable future, but given the help, understanding and co-operation of so many people, both nationally and internationally, we will continue to demonstrate our will to achieve.

I wish to acknowledge my personal gratitude to the Ministers of the Government, to the Board of Directors, to the Members of the Management Committee for their continued guidance and support and above all to our employees, managerial and non-managerial alike, without whose help and encouragement my task would have been made much more difficult and whatever success we have achieved could not have been recorded.

1982 is going to be a much more difficult year than 1981

and already there is evidence of dedication, commitment and co-operation, all of which will help the team to surmount the difficulties in this year.



*Honoured by the Nation in 1981—Khemraj Persaud M.S.*

# REVIEW OF OPERATIONS

## AGRICULTURE SUGAR

Production: 300,790 tons of sugar were produced in 1981 compared with 269,634 tons in 1980: 109,720 tons in the first crop and 191,070 tons in the second crop. The estates produced 261,289 tons and cane farmers 39,501 tons or 13.13% of the total production. Production for the year was 8.1% less than the original target of 327,422 tons.

Although the first crop does not normally commence until mid-February, favourable harvesting conditions prevailed during the first three months of the year, with March being very dry throughout the sugar belt. However, the mid-year rains began early, with April being not only extremely wet, but also the wettest month in the year, surpassing the precipitation in May and June, which are historically the months with the highest rainfall. Despite the very wet conditions experienced on most locations, reaping of the first crop continued well into mid-May.

As is normally expected, the TC/TS was high in the early part of the crop and this improved steadily as the dry conditions continued. With the onset of the heavy rains in early April, the TC/TS rapidly deteriorated and the average TC/TS of 13.53 for the first crop reflects the unfavourable conditions under which a considerable portion of the crop was harvested. Harvesting under these unfavourable conditions causes soil compaction and suppresses the initial growth of young plants, which in turn will adversely affect yields in the 1982 first crop.

Despite continuing the first crop into the wet weather, 9,288.1 acres of the estates' budgetted acreage remained unharvested. The shortfall from this and farmers' production totalled 29,592 tons sugar or 21.2% of the original estimated first crop production.

Production in the second crop was 191,070 tons sugar which was 2.3% more than the original estimate of 186,757 tons. Farmers' production was 327 tons sugar less than that estimated, while the estates produced 4,313 tons more than their estimated production. However, the estates achieved this increased production by harvesting more acres than that budgetted.

Weather conditions were favourable for reaping during most of the second crop. Despite the ideal conditions both for reaping and cane maturation, cane and sugar production fell short of estimated levels based on the acreage reaped. Neither the yield nor the quality of the cane reaped was up to expectations. The situation was worse in the Demerara estates compared with the Berbice estates, and the result was an overall average return of 2.18 tons sugar per acre compared with the projected 2.59 tons sugar per acre for all estates at an average TC/TS of 13.81 which was also higher than

anticipated.

Cane yields in the first crop had benefitted from the below average and well distributed rainfall during the first half of 1980. However, the weather conditions in 1981, from early April onwards, were unfavourable for natural ripening of cane. In addition, the sodden state of estates' dams hindered the transportation of cane which contributed to the unsatisfactory burning/grinding interval, i.e., the period between the burning and the processing of cane. In the Berbice region, over 20% of the cane ground during the crop was over 3 days old, compared with about 15% in the Demerara area. These factors in the field adversely affected the overall yield of sugar per acre in both regions, as the better cane yields could not sufficiently compensate for the poor quality of the cane which is reflected in the final high average TC/TS.

As anticipated, the very wet conditions under which the 1980 Second crop was reaped, was reflected in the reduced yields of cane per acre in the 1981 second crop. It was also very disappointing to note that despite the better harvesting conditions in this crop compared with the first crop, the proportion of cane ground with burning/grinding intervals in excess of three days, was higher than that of the first crop, being 20% in Berbice and 23% in Demerara. The poor average of 2.18 tons sugar per acre was therefore the result of reduced cane yields and the poor quality of the cane processed.

Apart from affecting the ripening process and the juice quality of the cane, interruptions of the traditional dry periods of the year impede land preparation and the level of the planned replant programme. The performance and yields of the ratoon crops are also adversely affected when cane is harvested under wet conditions. The resulting moisture deficits, which can be corrected to a certain extent by irrigation, and drainage loads, also affect performance of the cane.

The calculated mean accumulated moisture deficits in the Berbice region were 22.34 inches for the first crop and 10.61 inches for the second crop, 1981, with corresponding mean potential drainage loads of 12.78 inches and 15.81 inches, respectively. In the Demerara region, the corresponding deficits were 6.25 inches and 7.18 inches in the first and second crops, respectively, and the respective drainage loads were 42.62 inches and 57.83 inches. Substantially higher drainage loads were therefore produced in both crops by the Demerara estates, compared with that which obtained on the estates in Berbice. The higher deficits endured by the first crop compared with the reduced deficits which obtained in the second crop in the Berbice region, could account partially for the better TC/A performance of the second crop. On the other hand, drainage loads were comparatively high in Demerara in both crops, but distinctly higher in the second crop when TC/A yields were significantly depressed.

## REVIEW OF OPERATIONS Continued

The wet conditions that existed throughout most of the 1981 first crop will undoubtedly affect the TC/A performance of the 1982 first crop. It is more than likely that the 1982 second crop will have benefitted from the dry weather which obtained throughout the greater part of the 1981 second crop.

**Mechanical Tillage and Planting.** The estimated routine tillage programme set for 1981 in accordance with the Corporation's land preparation policy of tilling 20% of the acreage under cane, was 24,191.9 acres. Because of the wet conditions for most of the first crop, only 6,203.4 acres, or 25.6% of the programme was completed in the limited opportunity days available in the first half of the year. Despite the better weather which prevailed in the second half of the year, only another 35.8% of the programme was achieved, bringing the total achievement to 61.4% of the year's programme.

Although dry conditions during the second crop were ideal for harvesting, intermittent showers during the early part of the crop reduced the opportunity days available for mechanical tillage. In addition, the under-utilisation of the available machines, for one reason or another, effectively inhibited the ability of the estates to take full advantage of the potential opportunity days during the period.

**Commercial Pilot Plots.** In addition to the Commercial 100-acre Pilot Plots established at Uitvlugt and Enmore in the latter part of 1979, similar plots were established at Diamond in December, 1979, at Albion and Blairmont in the 1980 second crop, and at Rose Hall in 1981. All these plots, with the exception of that at Rose Hall, were reaped during 1981. The crop yields of these, as well as an unofficial pilot plot laid down by Rose Hall, were as follows:-

		TC/A	TC/S	TS/A
Enmore	(1st ratoon)	27.89	14.46	1.93
Uitvlugt	(1st ratoon)	29.43	12.64	2.33
Diamond	(Plants )	44.24	14.96	2.96
Albion	(Plants )	50.60	11.61	4.36
Blairmont	(Plants )	48.85	14.04	3.48
Rose Hall	(Plants )	66.52	13.58	4.90

The plant cane yields from these plots were generally very acceptable with that at Rose Hall being quite outstanding. However, the TC/TS ratios, with the exception of that at Albion, were very disappointing, even those in respect of plant cane. On the other hand, the yields of the first ratoons at Enmore and Uitvlugt, showed a substantial decline from the yields of plant cane. This steep decline was mainly due to the wet conditions under which the plant cane was harvested and the early re-growth period of the ratoon crop.

In the 1980 first crop, a system of monitoring the performance of plant cane was instituted on all estates to focus attention on

the importance of proper standards of tillage and planting in the yields of plant cane. The minimum acceptable yield for plant cane was set at 40 tons cane to the acre. Although yields in 1981 showed some improvement over 1980, 51% of the plant cane reaped in the first crop, and 56% of that reaped in the second crop, were below the minimum standard. This exercise has demonstrated that there is need to insist on the observance of better standards of tillage and planting, and to cut off planting well before the onset of the heavy rains.

**Pilot Project, Diamond Estate.** The Pilot Project in mechanisation, was mechanically harvested in both crops in 1981, with the whole stalk and chopper harvesters under the supervision of the Field Equipment Experimental Unit.

In an effort to minimise the effects of inclement weather on the operation of the mechanical harvesters, arrangements have been made to mount the J & L Harvester on tracks to improve its floatation. It is anticipated that this modification will increase the utilisation of the potential opportunity days on the Pilot Project, by about 20%.

Despite being seriously hampered by inadequate transport and handling facilities, the KTP - 1 chopper harvester has demonstrated a high level of productivity. A bottom-opening container has been successfully used in the movement of chopped cane, and it is expected that greater production will be achieved when similar containers, now being fabricated, are put into use during the 1982 first crop.

As part of the trials of the chopper harvester under our conditions, an experiment was carried out to evaluate the rate of deterioration of the varieties of cane after being burnt and harvested. The varieties were cut and left in the open for up to seven days. Daily analyses of juice were carried out and the initial analysis of the results indicate that

- (a) cane can be cut and left in the open for up to three or four days without any serious deterioration in juice quality.
- (b) there are no significant differences in the rate of deterioration between whole stalk and cane cut into 12" pieces under the conditions of the experiment.
- (c) the length of storage significantly affects purities, acidity and reducing sugar contents of the juice, but soluble polysaccharide and dextran are very variable.
- (d) there are significant differences in the purity, acidity, amino acid and reducing sugar contents of the juice of the various varieties.

In furtherance of our efforts at mechanisation, two 'Field Days' were held at the Pilot Project during the second crop. At

## REVIEW OF OPERATIONS Continued

these demonstrations, the Corporation's senior personnel from Head Office and Estates were able to observe the most up-to-date systems and equipment developed for local conditions, which included equipment for mechanical planting, fertiliser and herbicide application, harvesting and sprinkler irrigation.

Very positive conclusions arose from the discussions that followed the 'Field Days' and these will be taken into consideration in the evolution of the Corporation's mechanisation policy.

**Breeding and Selection.** As part of our efforts to accelerate the production of higher yielding disease resistant cane varieties, both the seed set area and the number of crossing lanterns at the Sugar Experiment Station were increased. In the crossing section, the accent was placed on polycrosses to allow greater exploitation of the available genetic material. At the same time the base material was being broadened by back crossing the 1970 and 1971 back cross varieties. Work also continued on the production of Demerara and Demerara - Barbados seedlings and taking them through the various stages of the varietal selection process.

The two most promising varieties, DB 70/172 and DB 71/60, have continued to show superior yields to the standard in the Stage V trials. These varieties and DB 71/105 which has shown early promise, particularly with its uniform growth, were included among the ten varieties distributed to all estates, for field evaluation. The results from the field experiments, combined with those from the Experiment Station, will give a rapid and more reliable evaluation of the varieties' commercial potential. The two Demerara varieties, D 70/97 and D 70/98, have continued to perform well, but suspicious symptoms of leaf scald have been observed on them.

#### Diseases, Pest and Weed Control

**Smut (*Ustilago scitaminea*).** Less than 1% of the commercial acreage is still cultivated with smut susceptible varieties. The phased removal of these varieties continues.

Towards the end of the year, D 38/57 showed unusual symptoms of grassiness at Albion Estate. This development is being examined to determine whether the apparent breakdown of resistance was due to the weather conditions or an extension of the organism's pathogenicity to this variety.

**Rust (*Puccinia melanocephala*).** Observations on all promising and semi-commercial varieties were done on a fortnightly basis to assess the susceptibility of the varieties to this disease.

**Yellow Spot (*Mycovellosiella koepkei*) Syn. *Cercospora koepkei*.** This disease, first reported on D 76/61 at Diamond Estate, has now been reported on all estates, except Albion.

A large scale trial to ascertain the impact of Yellow Spot on yields, has shown no significant differences in TC/A, TS/A and

growth of infected versus non-infected B 41227. There were significant differences in percentage leaf area damaged, with 88% control achieved in plots treated with fungicide at 31-39 weeks.

Monthly surveys done at Enmore, L.B.I., Wales and Uitvlugt/Leonora, indicate that infection levels were governed by varietal susceptibility and rainfall.

**Cuba-Guyana Joint Trials.** Fourteen varieties available both in Guyana and Cuba were laid down to determine whether they would exhibit differential responses to Smut and Rust in the two locations when subjected to identical inoculation methods and husbandry practices.

**Sugar Cane Pests.** The main pests which affected the cultivation during the year, were *Castnia licoides*, the giant moth borer; *Aeneolamia flavilatera*, frog hopper; and *Spodoptera frugiperda*, the leaf eating caterpillar. *Castnia* infestation was reported on a total of 8,669 acres, of which 4,850 acres were treated by flooding. Caterpillar infestation on all estates totalled 22,326 acres, of which 6,029 acres were treated chemically.

Frog hopper, which was a major problem at Enmore, achieved major proportions at L.B.I. Skeldon and Wales also reported infestations during the year. 4,650 acres infested by this pest, were treated with chemicals during the year.

The Frog hopper infestation was present throughout the year, with the intensity matching the rainfall pattern. During the mid-year rains, an appreciable number of the adults succumbed to the *Metarrhizium* fungus, and the nymphs were attacked by *Salpinogaster nigra*, but not intensively enough to suppress the pest population.

Hard back beetles and termites were reported at Skeldon and Rose Hall. The former affected 9,200 acres, of which 626 acres required chemical treatment. Some 4,039 acres were damaged by termites which were controlled by cultural and chemical means.

The rodent problem was of moderate intensity throughout the year, with slight upsurges during the mid-year rains and towards the end of the year. A total of 34,748 acres was treated with Thallium Sulphate, Endrin and Zinc Phosphide baits at Skeldon, Rose Hall, L.B.I., Leonora and Wales.

**Other Crops Pests.** The dominant pests affecting the Oil Palm were *Castnia daedalus*, scale insects and the rhinoceros beetle.

The preliminary results of the investigation carried out to determine residues of monocrotophos in the processed oil and kernels, when used to control *Castnia daedalus*, show that the application of a level of 45 ml monocrotophos requires a safety period of at least two weeks prior to harvesting. The application of 15 ml of monocrotophos by stem infection, achieved

## REVIEW OF OPERATIONS Continued

an 80% mortality rate on scale insects.

At San Jan, *Castnia daedalus* is now under absolute control by a microbial epizootic organism. This organism is not so far in evidence at Wauna, where *Castnia* damaged 63.3% of the fruit bunches, and 42.5% of the palm fronds. *Spodoptera frugiperda* was the major pest of maize at Blairmont, where it attacked the crop through all stages of its growth. Since *Spodoptera* can use weeds as collateral hosts, proper husbandry, chemical sprays and parasite releases on a timely basis have been instituted as part of the management of the crop.

The onion plots at L.B.I. and Blairmont were attacked by *Spodoptera frugiperda*, onion maggots, mites, wire worms and pill bugs. Experiments to screen insecticides for the control of these pests have been initiated.

Laboratory studies in the rearing of exotic insect parasites for release to control the population of insect pests as well as investigations of insect pathogens and their potential for inclusion in the overall pest control programme, continued during the year.

The programme for the rearing of *Apanteles flavipes* is being reviewed, since it again faltered when the limited shipments of this parasite from the Commonwealth Institute of Biological Control in Trinidad, turned out to be predominantly male.

On the other hand, 220,880 adults of *Telenomus remus* the exotic egg parasite of *Spodoptera frugiperda* were successfully reared, and 166,890 were released at L.B.I., Enmore, Blairmont and Manarabisi. Indications are that this parasite is slowly establishing itself. Similarly, *Trichogramma japonicum* has been reared at Rose Hall from April and by November, 1981, 886,000 adults were produced, of which some 487,000 were released.

The two pathogenic organisms which have been found to infect the two species of *Castnia daedalus* at San Jan, showed promising results, as since its dispersal at that location, the population of this pest has remained very low.

With the assistance of the Department of Agriculture and the Pathologist at Mon Repos, pilot experiments are being conducted to examine the feasibility of rearing the green muscardine fungus, *Metarrhizium anisoplae*, for use against Froghopper.

Field studies in progress include an assessment of the efficacy of aerial application of BHC for the control of froghopper nymphs. It had been previously established that properly applied, BHC dust can penetrate the cane canopy and reach the stools where the nymphs are located.

**Weeds.** Weed distribution and succession patterns were investigated on 53 fields at Skeldon and 69 fields at Enmore. The intensity and adaptability of the dominant species were examined and compared with the 1975 survey. Ecological and

taxonomical studies were done on *Panicum maximum*, *P. laxum*, *Echinochloa colonum*, *E. crus-galli*, *E. polystachya*, *E. pyramidalis*, *Jatropha gossypifolia*, *Digitaria sanguinalis*, *Sporobolus indicus*, *Leersia hexandra* and *Cenchrus echinatus*, which were some of the dominant weeds found.

Four new species were identified this year — *Echinochloa pyramidalis* and *Sorghum verticilliflorum* at Blairmont, *Andropogon annulatus* at Enmore and *Andropogon lateralis* at L.B.I.

Formalised comparisons between Actril DS and 2,4-D Amine in combination with Asulox, confirmed estates' reports that 2,4-D Amine was superior to Actril DS in pre and post emergent conditions. There were no significant differences between 2,4-D and Actril with Asulox when grasses were dominant.

Trials on experimental plots to determine the most effective combinations of the available chemicals to deal with pre, early and post emergent weeds continued. The successful combinations were used in semi-commercial trials, and the preliminary results indicate that Diuron + Perflan + 2,4-D provided superior broad spectrum weed control under wet conditions, compared with Gesapax Combi and 2,4-D.

The best treatment for fully established *Panicum maximum* was found to be Round-up.

In the aquatic system, 2,4-D Acid crystals at 1 ppm showed good control of *Cabomba aquatica*. Initial action was seen in 5-14 days, depending on the movement of the water, and residual control for up to 94 days, was achieved.

**Fertiliser Practices.** Foliar levels have in general corroborated the high supplementary fertiliser requirements on some estates. In general, N foliar levels have been lower in the second crop, compared with that of the first crop, 1981. The reverse was true for P and K foliar levels. Foliar N levels have been significantly low at Albion in both crops, and in the second crop at L.B.I. and Leonora. K levels have been consistently low at Skeldon.

In view of the substantial supplementary requirements of some estates during 1981 compared with 1980, it was considered timely to review the basic fertiliser application policy a stage further than indicated in last year's report, and implemented in 1981 at Enmore Estate. It was also considered necessary to closely monitor Albion Estate to ascertain the fertiliser policy most applicable to this estate.

Results of formal NPK fertiliser trials on four locations, which were completed and analysed in 1981, showed that the response of TC/A and TS/A yields to the basic application of 5 cwts. of Sulphate of Ammonia per acre, was significantly positive at Blairmont and Skeldon on soil types 41 and 11d, respectively. These trials, which were initiated in the 1979

## REVIEW OF OPERATIONS Continued

second crop and harvested late in the 1980 second crop, experienced below normal rainfall over the period.

The trials at Enmore and Diamond on soil types 41s and 16, respectively, conducted over the same period 1979/80, with below normal rainfall, did not produce significantly higher yields at the higher N levels. All the trials indicated that the current P and K application levels should be retained.

Two plant cane trials, on areas which were associated with magnesium deficiency, were reaped at Enmore and Uitvlugt, incorporating dolomitic limestone as a source of magnesium. Yields, as well as foliar levels, did not suggest any difference in response to dolomite. It is known, however, that the rate of reaction and subsequent availability of the elements derived from liming materials, of which dolomite is an example, are slow compared with those from organic fertilisers. It is therefore likely that a greater response from the magnesium in dolomite will be evident as the ratoon cycle progresses.

Following a rapid survey of the frontlands and other areas of the Corporation's estates to identify areas with potential salinity problems, fields were selected on each estate to monitor salinity, and the soil properties were characterised by detailed physical and chemical analyses of soil pit samples at various depths down to 48". Auger sampling for salt levels down to 48" will continue in each of these fields at fortnightly intervals throughout 1982 and, if necessary, beyond 1983, to ascertain the seasonal movements of salts.

The inspection of the Belle Vue West 7 - 18 section of Providence Estate to ascertain the reason for very poor growth of plant cane, revealed a classic example of the deleterious effects of prolonged flooding on No. 31A silty clay soil. It appeared that the soil was over-refined in preparation, and during the three months flood-fallow, the soil aggregates dispersed. The consequent loss of structure restricted root growth and consequently caused very poor development of the variety DB 66/113. Despite being planted on similar bad soil conditions, D 141/46 showed deeper rooting, but it was not possible to say how much better it had performed than DB 66/113, since the canes in the fields were used as seed material.

Because of comparative cost and other properties, samples of limestone from Curacao, Barbados and Martinique were evaluated as a possible alternative to aragonite. The Curacao limestone possessed the most desirable properties, and a visit to the operations confirmed the ability of the Mining Company to meet our needs for good quality limestone, at a much cheaper cost. In addition, the Company had substantial reserves of limestone mixed with phosphate (6% P) which could be of great value to us for use on the different soils, both as a liming material and a cheaper source of phosphate.

Several methods for the analysis of the quality of cane juice and sugar were evaluated and modified in the Central Laboratory.

The modified methods have been compiled into a formal document.

The evaluation of the present methods of maturity sampling in the field in conjunction with an investigation of the results of the processed cane, indicates that analyses of randomly selected stalks gave the most realistic results, and the trends shown by the hand refractometer readings were fairly logical. The analyses of the factory stream are also being evaluated with the assistance of the Factory Operations Department, to ascertain whether some of the non-routine analyses can aid process quality control.

Data collected from mill dock cane at Enmore, L.B.I., Wales and Uitvlugt, are being analysed in an effort to isolate possible causes for the generally poor cane quality returned by the Demerara Estates.

## CANE FARMING

In 1981, 22,789.3 acres were under sugar cane cultivation by three private estates at Versailles, Houston and Lochaber, twenty Co-operative Societies (Marketing and Producers) and individual farmers. The acreage under farmers' cane increased by 198.3 acres over that in 1980, mainly in the Berbice region, where a few farmers rehabilitated their abandoned cultivations, and others increased their cultivations. 20,046.5 acres, 678.5 acres more than in 1980, were harvested, which together with cane purchased from the Guyana Sugar Experiment Station, yielded 39,501 tons sugar. This was 715 tons sugar more than that produced in 1980. With the exception of Blairmont, all of the Corporation's estates continued to be actively involved in processing farmers' cane.

The Guyana Agricultural, Industrial and Development Bank, continued to be the main source of finance for developmental, rehabilitation and crop loans to farmers. During the year the Corporation appointed an Agronomist to deal with the technical aspects of cane farming, in an effort to assist farmers to upgrade and rehabilitate their cultivations with the facilities offered by the Bank.

The National Cane Farming Committee functioned satisfactorily during the year. The two-year term of the members of the Committee ended in September, and the Committee has since been reconstituted with a farmers' representative elected as Chairman of the Committee. During the year, grants from the Cane Farmers' Rehabilitation Fund were given to the Cane Farmers' Liaison Committees to finance such projects as maintenance of roads and dams, bridges, drainage and irrigation trenches for the benefit of cane farming communities.

Like the National Cane Farming Committee, the terms of office of the Cane Farmers' Liaison Committees ended in September, 1981. After elections, the new members were installed in October, 1981. The Committee functioned very well during

## REVIEW OF OPERATIONS Continued

the year, and in an effort to involve as many of the members as possible in the affairs of the Committees, sub-committees were appointed to monitor the execution of projects and programmes, for the educational development of farmers.

The Corporation continued to make available to the Chairmen and Secretaries of the Cane Farmers' Liaison Committees, places on its courses dealing with the charring and conduct of meetings. In addition, courses on all aspects of the agronomy of sugar cane, including the rehabilitation of farms, were conducted on estates.

A Committee of the Cane Farmers' Liaison Officers, appointed by the Corporation, was formed with a view to increasing their effectiveness in dealing with farmers.

## OTHER CROPS

**Cassava.** The 200-acre State Farm was the main source of supply of wet cassava roots for the mill at Kaituma. Only 16,677 lbs. of cassava were available from the private farms in the area. During the year, 96 acres were reaped from the State Farm and this produced 187,781 lbs. of wet roots. This disappointing yield was due largely to the low plant population in the field and tubers which had rotted. The remaining 104 acres will be harvested in 1982. Of the 96 acres harvested, 41 acres have been replanted and 55 acres are to be prepared for planting. The unavailability of land clearing equipment delayed the expansion of the cultivation to 400 acres.

The irregular supply of electricity and cassava roots resulted in the erratic operation of the mill. From the 204,458 lbs of wet cassava roots processed, 41,710 lbs. of cassava flour, 9,879 lbs. of middlings, 449 lbs. of starch and 67 gallons of cassareep were produced.

The State Farm proposed for Somerset and Berks has not yet been established because it has only been possible so far to identify 375 acres of the 750 acres granted the Corporation by Government, under a provisional lease.

Meanwhile, planting material from improved cultivars was distributed to 19 farmers to encourage them to improve their production. Unfortunately 11 of the 22.5 acres planted with these higher yielding varieties of cassava were lost to floods. Yields from the harvested acreage ranged from 11,000 to 26,000 lbs. per acre, compared with the average of 5,000 lbs. per acre obtained from the traditional varieties used in the area.

The mill at Charity operated during the year at approximately 6.7% of its rated capacity. Power failures in the area accounted for the loss of 147,571 lbs. of cassava roots and led to the mill's closure early in December. Compared with purchases of 1,616,331 lbs. in 1980, only 1,356,400 lbs. of wet cassava

roots were supplied to the factory in 1981. This suggests that the price increase granted in 1980 has not stimulated deliveries to the mill.

The cassava processed produced 218,025 lbs of cassava flour, 72,121 lbs. of middlings, 2,268 lbs. of starch and 163 gallons of cassareep.

In addition to supplying planting materials to Kaituma and Charity, the cassava nursery at Enmore sold 14,156 lbs. of wet cassava roots to the Guyana Pharmaceutical Corporation.

**Oil Palm.** The general appearance of the palms at San Jan was fair, and the production potential was encouraging after the maintenance programme of pruning, weeding, redigging the main drains and reducing the *Castnia* infestation. Unfortunately, 13 weeks' production was lost when the old oil extraction mill ceased operations in September, and the new mill did not come on stream as anticipated. This, coupled with considerable down time of the old mill, limited production to 16.26 short tons pericarp oil from 101.3 short tons of fresh fruit bunches, an average extraction rate of 15.9%. This compares with the 1980 production of 24.43 short tons of pericarp oil from 135 short tons of fresh fruit bunches, an average extraction rate of 15.7%.

Although no decision has been reached about the funding for the development of Wauna as the major oil palm complex, the expansion of the area continued and there are now 2,345 acres under palms, compared with 1,628.5 acres in 1980. Some concern was caused by infestations of *Castnia* and *Rhinoceros* beetles, and steps have been taken to control these pests. There was no increase in the area cultivated by farmers. 90.25 short tons of fresh fruit bunches were harvested from the cultivation and 35.10 short tons were purchased from farmers compared with 45 and 28 short tons, respectively, in 1980. The general unsatisfactory performance of the mill deteriorated towards the end of the year, and its extraction efficiency decreased from an average of 17.6% to 14.5%. Only 18.27 short tons of pericarp oil were produced from 125.35 short tons of fresh fruit bunches.

In addition to such field operations as windrowing, lining slashing, ring weeding, pruning and fertilising, the younger palms were intercropped with pumpkins, and 38.59 short tons were produced in 1981, compared with 61.5 short tons in 1980. The crude palm oil from both locations was sold in Georgetown for refining.

**Grain/Legumes.** The production of corn and legumes at the State Farms at Blairmont and Manarabisi suffered, especially during the first crop, from prolonged adverse weather conditions. The second half of the year saw an improvement in the weather conditions, and there was a resumption of tillage and cultivation activities.

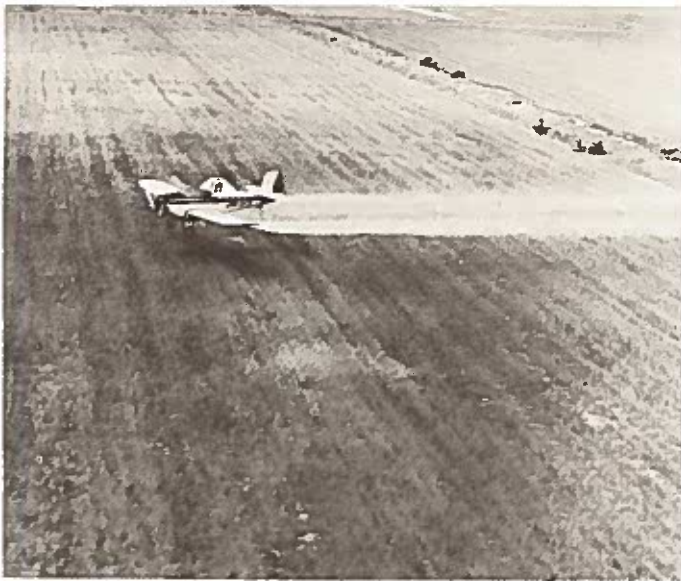


REVIEW OF OPERATIONS Continued

Production from both locations totalled 148.5 short tons of corn, 80 lbs. of soyabean, 1.3 short tons of mung, 6.2 short tons of urid, 660 lbs. of pigeon peas and 8.2 short tons of black-eye peas.

At year end, 282 acres of corn and 30 acres of legumes were planted at Blairmont for harvest in 1982.

The Corporation broke new ground by planting rice at Manarabisi. At the end of the year, 850 acres were planted with Star-bonnet for harvesting in March/April, 1982.



*Aircraft dusting rice crop.*

In addition, 20.4 short tons of pumpkins were produced at Manarabisi and 5,106 pounds of onions at Blairmont, L.B.I. and Wales. The continuous rain in the early part of the year affected the preparation of 13 acres of land at L.B.I. for onions. This area will be tilled for a nursery and for transplanting onions in 1982. 2.5 acres of onions were planted at L.B.I., Wales and Blairmont for harvesting in January, 1982.

**Aquaculture.** The Corporation was engaged in the following activities at Blairmont during the year, with the assistance of the International Development Research Centre, Vancouver, Canada.

- (a) Tilapia fingerling production.
- (b) Commercial fish production.
- (c) Flood-fallow field trials in fish production.
- (d) Research.

A total of 495,400 Tilapia fingerlings was produced during the year, a 65% increase over that produced in 1980. These were used for the nursery and grow-out ponds, and for stocking flood-fallow fields and production ponds.

In pursuit of the objectives of the I.D.R.C. Project, six ten-

acre flood-fallow sugar cane fields were stocked in December with 10,000 mixed Tilapia each. These trials were designed to assess base yields:

- (i) in the natural environment, and
- (ii) with organic and inorganic fertilisers.

A programme for induced spawning by hypophisation of hassar was also initiated during the year.

Fish ponds were increased from 27 to 34.2 acres during the year, and drainage and irrigations systems for the new ponds were established.

Fish production for the year totalled 16,507 lbs. of Tilapia.

**FACTORIES**

Factory performance in 1981, though still considered unsatisfactory, compared favourably with that in 1980 and 1979. Factory down-time, for mechanical reasons, decreased for the second year in succession, and the throughput of 100.73 tons cane per hour was surpassed only by the figure of 101.68 achieved in 1978. A total of 4,125,156 tons of cane was ground during the year, the third highest amount in the history of the industry.

The factories were operated for 40 weeks, compared with 35 weeks in 1980. Factory utilisation was 63%, a slight reduction from the 64% achieved in 1980. This was due to the amount of time lost for mechanical reasons, and the unavailability of cane at the factory.

**Process Control.** Although there was a slight reduction in the percentage of fibre in the cane, 17.73% compared with 17.87% in 1980, there was a decline in cane quality. The average of 13.49 tons cane per ton sugar was the highest recorded by the industry. The pol. percentage of cane dropped from 9.50 in 1980 and to 9.28 in 1981.

Unfortunately, the extremely poor performance at one location produced an overall average reduced extraction of 92.63 compared with 92.87 in 1980. On the other hand better recoveries were achieved in the boiling house, although mixed juice purity averaged 76.56, compared with 76.68 in 1980. There was an improvement in the manning of the pan floor. The increase in boiling house efficiencies can be credited to better molasses exhaustion.

Seminars will be repeated in 1982 to impart to factory staff a better appreciation of the system associated with the preparatory work for mill settings, and the general maintenance of the milling plant. The programme of replacing undersized mill rolls improved the milling performance generally, and this will be continued in 1982. The recruitment and training of Sugar Boil-

## REVIEW OF OPERATIONS Continued

ers and Process Managers will also continue to strengthen the establishment.

**Quality Control.** Through the courtesy of Messrs. Hugh Markey and Sons of the U.S.A., Dr. James Chen and Mr. Walter Attenburg visited our operations and laboratories, and conducted a seminar on sugar quality and control, in the light of changes in the systems of analysis used in the U.S.A. to determine colour and quality of sugar. Arising from this, the use of lime in the treatment of juice was reduced, and this, together with the other quality controls introduced, was successful in improving the colour and quality of our sugar. Based on the new system, colour values averaged 199 in 1981, for a pol. percentage of 98.35.



*Dr. James Chen conducting seminar on quality control.*

**Development and Engineering Services.** The factory building at Blairmont was being rehabilitated to cater for the extension of the mill house. Preparatory foundation work had also been done for the installation of a 60,000 lbs. per hour boiler at this location. Progress had also been made with foundation work for the replacement of the diesel storage tank which had been destroyed by fire at Blairmont.

There was some concern over the number of diesel electric sets which sustained damage during the year, and action has been taken to ensure that the alarm and shut-down systems are not by-passed. The Instrument/Electrical Workshop at L.B.I. was also kept fully employed with rectifying an unacceptable level of burnt-out electric motors from the industry, and jobs from private organisations and other Corporations.

The Equipment Conservation Centre came on stream during the year. Maximum utilisation of the plant was not achieved because of the lack of certain technical inputs, shortage of air supply, and interruptions in the supply of the electricity. Certain pieces of equipment have been ordered from overseas to correct this situation. In the meantime, of the ten applications identified to be carried out at the Centre only three dealing with the rehabilitation of carrier chains, cane knives and mill roll shafts have been introduced. The factory workshops at Albion and Blairmont have been upgraded with the arrival of lathes and mill machines to complement the work done at the Equipment Conservation Centre, and so effect savings in foreign exchange expenditure.

The Department continued to offer Engineering Services to the Other Crops Division.

**Energy Conservation.** The success achieved in 1981 in the use of vapour to reduce demands for steam in furtherance of our efforts to conserve on the use of fossil fuel, has prompted the pursuit of this programme in 1982. Energy conservation in the use of such fuel, will also be extended to the agricultural machines used in the field.

A bagasse baler and allied equipment ordered, will be installed in 1982 to store surplus bagasse in an acceptable manner. At the same time, investigations will be carried out to identify economic alternative use of this material, other than for the generation of steam. The acquisition of suitable equipment to sup-

ply excess steam-generated electricity to the national grid, will also be looked into.

**Constraints and Prospects.** The factory Supplies Co-ordinator, appointed in 1981 was very effective in making available the equipment and supplies needed for the out-of-crop maintenance programmes. Unfortunately, he has since resigned. His replacement, and the employment of some more experienced factory personnel to supervise and plan the maintenance of our factories, will alleviate some of the many factory problems faced in 1981.

In the meantime, the senior and more experienced personnel available will pursue solutions to the mechanical and operational problems identified; help to upgrade the skills of the largely inexperienced factory staff, and supplement their supervision and attention to details, by spending more time on the plant floor.

## MARKETING

**Sugar.** 1981 was an extremely depressing year in the marketing of Guyana's sugar. Prices in the home market remained frozen. Our guaranteed market in the EEC continued to become less and less favourable. Protectionism grew in the U.S. Above all, world market prices slumped very seriously. The situation created by this combination of factors meant that in 1981 Guysuco's average earnings per ton of sugar declined below the cost of production.

The world market price for sugar - after the short-lived recovery

REVIEW OF OPERATIONS Continued

in 1980 - declined again seriously in 1981. The average ISA daily price for 1981 was US 16.83 cents per pound compared with US 28.69 cents per pound in 1980. Moreover, this comparison makes no allowance for inflation, and if the 1981 price were to be deflated in line with the official U.N. cost index of manufactured exports, the price would be seen to have shrunk even further.

In 1981, our exports to the U.S. - our most important market after the EEC - were sharply squeezed both in regard to access and price. HFCS production continued to expand rapidly in the US, and with the domestic sugar industry desperately defending its position in the face of low world prices, sugar exports from countries like Guyana suffered more and more from protectionist measures. Though Guyana enjoys GSP treatment for sugar exports to the USA and is therefore partly insulated from this pressure, we cannot escape the general bias against imported sugar and, in particular, must suffer with all other sugar exporters the imposition of higher and higher import fees.

The annual "negotiations" with the EEC regarding price were more unsatisfactory than ever in 1981. Indeed, complete deadlock occurred and it was only in February, 1982 that the price increase for the quota year 1981/1982 was finally agreed at 8.5%. Between 1975/1976 and 1981/1982, the EEC price which we receive has increased by only 26% which compares with the increase in the price index for manufactured exports from the EEC in the same period, of 84%. The price we receive for our EEC quota sugar is currently below the cost of production.

One success in 1981 came with the conclusion of a new six-year contract, signed by all ACP countries, with the Refiners in the U.K. This has considerably stabilised the situation in respect of maintaining assured access to the U.K. for ACP sugar.

**Marketing Policy.** In 1981, the Sugar Marketing Committee, with the Minister of Trade and Consumer Protection as Chairman, continued to agree the broad lines of sugar marketing policy. The flow of information from Guysuco to the Ministry of Trade in relation to production, shipments, and earnings, was stepped up considerably during the year.

Our production of 300,790 long tons was marketed as follows:

Market	Long Tons
Home	36,519
Caricom	1,895
UK/EEC	
— Bulk	190,115
— Specials	2,894
Canada	9,995
U.S.A.	57,955
Losses	1,417
	300,790

**Home Market.** In 1981, the home market consumed 36,519 tons sugar, the highest on record. The price of D.C. Sugar remained at \$260.85 per ton, and the price of white sugar remained at \$560 per ton. The subsidy to the consumer in 1981, amounted to an estimated \$33.7M.

There can be no doubt that the extremely low price of sugar increases the temptation to smuggle this product out of the country where it then yields huge profits. The very low price means that local consumers step up their purchases out of proportion to their purchases of other local products whose prices have risen considerably. The end result is that the demand for sugar on the local market is now increasing out of all proportion to population growth and/or growth in earning power. This in turn means a loss of thousands of tons of sugar which could otherwise be exported and earn valuable foreign exchange.

**Caricom.** Guyana's exports to Caricom in 1981 declined to 1,895 tons, compared with 4,843 tons in 1980. This was no fault of ours. We are prepared to supply the small Caricom countries who do not produce sugar, with Guyana's annual quota of 4/5,000 tons at prices agreed by the Caricom Council of Ministers and reviewed every six months. However, while we are always prepared to meet our commitments, our Caricom customers do not always meet theirs: when the world price is high they take our sugar, as in 1980; when the world price is low they go to other sources and do not take our sugar, as in 1981.

**EEC Quota.** In 1981, Guyana fully met its 1980/81 EEC quota commitment by 30th June, 1981, and by the end of 1981 we had already supplied the major part of our 1981/82 quota.

Our EEC quota, which gives us a secure long-term outlet for some 55 per cent of our exportable sugar, remains fundamental to our marketing strategy. However, our problems with the EEC have been getting steadily worse, and in 1981 appeared to have come to a head.

The price which we receive for sugar in the EEC has been seriously deteriorating in real terms, to the point that we now get less than the current cost of production. Moreover, the confrontation which takes place between ACP and EEC annually over price negotiations was even more bitter in 1981. The impasse over a new guaranteed price for 1981/82 was not resolved until seven months after the effective starting date for the new price. Unless there is a radical change, it seems unlikely that it will be possible to negotiate price increases for EEC sugar which will match our increasing costs. Perhaps the re-examination of the Sugar Protocol, which will be taking place in 1982, can be used as a means for discussing this critical problem.

In the last six years, the EEC sugar surplus has grown from virtually nothing to 6.8 million tonnes in 1981/82. This huge uncontrolled surplus has been the main cause of the slump in

## REVIEW OF OPERATIONS Continued

the world price of sugar. Without drastic change of EEC sugar policy - including a reduction of quotas and a decision to join the ISA and accept its discipline - the prospects for a reasonable improvement in the world price of sugar are not good.

Along with other ACP suppliers of EEC quota sugar, Guyana signed a new six-year contract with the U.K. Refiners, which came into effect from 1st July, 1981. This gives us an assured commercial outlet for our EEC quota sugar. This development, together with the stabilising of cane sugar refining capacity in the U.K. at a more profitable level, has certainly helped to strengthen the bridge over which cane sugar gains guaranteed access to the EEC. Despite this favourable development, the price we receive for our EEC quota sugar remains above all the crucial problem.

**International Sugar Agreement.** In 1981, Guyana continued as a Member of the International Sugar Agreement, and fully observed all its provisions. We continue to play a full part in the administration of the Agreement, and at the end of the year we were completely up-to-date in all ISO requirements for the statistical returns and payments of subscriptions.

With the decline in the world price of sugar, ISA quotas were reimposed, Guyana's quota, in effect, was agreed at 85,000 tonnes, and we shipped 78,333 tonnes which was within the tolerance of 10,000 tonnes allowed. The renewed obligation to hold uncommitted special stocks, comes into force on 30th June 1982, but Guyana has been given up to 31st December, 1982 to comply.

During 1981, the influence of the ISA in stabilising the world price of sugar seemed very small, though it may well be that the decline in price would have been even greater without such an Agreement. We continue to believe that a Commodity Agreement like the ISA helps to create greater order and stability in the world sugar market. We will therefore continue to be a strong supporter of this Agreement and will be participating fully in the moves beginning in 1982 to build a stronger and better Agreement.

**U.S. Market.** In 1981 Guyana sold 57,955 tons sugar to the U.S. This compares with 37,470 tons sold in 1979 and 60,847 tons sold in 1980.

The U.S. is our biggest market for sugar after the EEC. Also, since April, 1980, Guyana has been a beneficiary country under the GSP scheme. Freight opportunities are good and relatively inexpensive, and we have continued to build up a good relationship with customers in this market.

However, Guyana, in common with other sugar exporting countries, now faces the very real threat that, in a comparatively few years time, access to this market will be reduced drastically and may even disappear. HFCS production is

rapidly expanding (100,000 tons sugar equivalent in 1971 to 2,100,000 tons sugar equivalent in 1980) and has such strong cost advantages over conventional sugar that it seems certain to take over more of the market. Faced with this situation, domestic sugar producers in the U.S. have greatly increased the pressure to introduce protectionist measures. If this continues to be successful, it will have a severe impact on sugar imports from countries like Guyana, and at the same time will serve to accelerate HFCS substitution. An authoritative study produced by the U.S. State Department, indicates that access to the U.S. market may be reduced 50% by 1985, if present U.S. sugar policy is continued, and may disappear entirely a few years later.

At the end of the year, import duty on sugar in the U.S. was increased from 0.625 cents per pound to 2.81 cents per pound. As a country enjoying GSP status for its sugar, Guyana does not pay this duty which means in effect that there is a premium in this market of U.S. \$63 per ton over world price. However, this advantage only appeared at the very end of 1981, and will only apply to shipments made in 1982.

In 1981 we made a great effort to improve the quality of our sugar. Dr. James Chen and Mr. Walter Attenburg visited Guyana with Mr. Hugh Markey, and ran a seminar for production personnel on sugar quality and analytical methods. Serious penalty payments can be incurred in the U.S. Market for poor quality shipments, and it is extremely important that we keep up the pressure at all times to improve sugar quality on all estates.

**Canada.** In 1981, Guyana sold only 9,995 tons of sugar in Canada, compared with 75,225 tons in 1979 and 35,681 tons in 1980.

In the last year, Canada has become an extremely difficult market. Consumption has declined, HFCS production has increased, there is refining over-capacity and the demand for imported raw sugar has been drastically reduced. Moreover, the price obtainable in this market is not now as good as that which can be obtained in the U.S. market.

During 1981, we continued to maintain our contacts with Canadian Refiners, with a view to seizing any marketing opportunity that might present itself. However, for the time being, the prospects for selling large tonnages of our sugar in Canada, are not good.

**New Markets.** Guysuco remains on the lookout to develop new markets for its sugar. However, certain fundamentals must be noted. The first is that prospective new markets, e.g., in the Middle East, are often very far away, and good freight opportunities tend to be scarce and, in any case, very expensive. One great advantage of the nearby U.S. and Canadian markets, is that there are good freight opportunities at reasonable rates

## REVIEW OF OPERATIONS Continued

available. Secondly, it has been found when investigating new markets, that the shipment of sugar is often requested in bags. It must be emphasised that Guyana is geared to the bulk export of sugar and not to the export of bagged sugar. Thirdly, it is naive to think that any customer in the market for sugar - whatever the ideological persuasion - is going to drive anything other than the hardest possible bargain. There are no easy pickings to be had in marketing our sugar around the world.

**Molasses.** The molasses market, which had strengthened considerably in 1979, 1980 and the first part of 1981, declined very sharply in the second half of 1981. The average price received in 1981 was 84 cents per gallon compared with 95 cents per gallon in 1979 and \$1.10 per gallon in 1980.

Exports of molasses in 1981 were 16.6 million gallons compared with 16.1 million gallons in 1979 and 15.3 million gallons in 1980. Sales to distilleries in 1981 were 6.7 million gallons, compared with 5.3 million gallons in 1979 and 5.5 million gallons in 1980.

**Other Crops.** 1981 can best be regarded as a year of mixed fortunes for Other Crops. Vagaries of the weather, intermittent supplies of power, factory breakdown and praedial larceny, put paid to many of the more lucrative activities of the Division. Production of cassava flour was down, and so was the volume of black-eye peas and corn compared with that in 1980.

The only relatively bright spark was in Aquaculture, where reasonable supplies of fish, mainly Tilapia, were made available to individuals, Co-operatives and Supermarkets. Nevertheless, whatever was produced was sold to traditional and established outlets, and reasonable quantities were made available to all staff, both at Head Office and estates, when interest was shown.

Once again, low production levels and uneconomically high freight rates prevented the export of any produce.

## PERSONNEL

**Staffing.** The Corporation lost 28 senior managerial staff members in 1981. Of these two died, six retired, the services of two were terminated and 18 resigned. 56 managerial staff members were promoted to some of the vacancies, and 21 newly qualified young Guyanese and two non-Guyanese were recruited into senior managerial positions.

To ensure that the organisation maintained acceptable standards of managerial and technical expertise, the Corporation continued its policy of recruiting on secondment, experienced specialist personnel from overseas, if and when needed and to send selected executives overseas for specialised courses, attachment and visits to organisations engaged in pursuits similar to ours.

**Manpower Development.** The continuous loss of experienced personnel has made it necessary to intensify the Corporation's manpower planning mechanisms to identify and develop persons to function effectively in the junior and senior managerial categories. The system of job rotation on estates, especially among the junior managerial personnel, continued to be a part of the programme of preparing persons for upward mobility in the organisation.

Two new courses, "Elements of Dynamic Supervision" and "Financial Planning in Guysuco," were added to the management training programme in 1981. The technical training of personnel from the field and factory departments continued, and places were made available to personnel from such establishments as the Central Recruitment and Manpower Agency, the Antigua Sugar Corporation, the Guyana Electricity Corporation, and the Police Department. The training programmes consisted of class-room as well as on-the-job training.

During the year, twenty adults were trained as Sugar Boilers. This Scheme will be continued in 1982, along with the Sugar Boiler Apprenticeship Scheme, to ensure that an adequate number of trained Sugar Boilers is available to the industry. Craft training continued in accordance with the Corporation's Regrading and Reclassification Scheme for artisans. The assistance of outside agencies was also obtained in conducting specialised courses in mechanical tillage, Caterpillar tractor operation and under-carriage maintenance, Leyland and other motor vehicles maintenance.

During 1981, seven workers who were on scholarships awarded by the Corporation, graduated from the Guyana School of Agriculture and eight new candidates were sponsored for the 1981/83 Diploma Course, and one for the Certificate Course.

Four of the Corporation's workers on scholarship to the Eastern Caribbean Institute of Agriculture and Forestry, graduated in 1981, and four new candidates were sponsored for the 1981/83 Diploma Course at this institution.

**Cadetship Scheme.** Three cadetship were awarded in 1981, two tenable at the University of Guyana, in the field of Engineering and one in Computer Science at the University of Waterloo, Canada. Three Cadets graduated during 1981.

**Guysuco Training Centre at Port Mourant.** This establishment continued to train the skilled artisans required by the industry under the Corporation's Apprentice Training Scheme, and to make available places in this Scheme to other public sector establishments. 296 apprentices were in the system at the end of 1981. The total number of graduates from the Scheme since its inception in 1957, was 1,138 including 109 from outside agencies.

The London City and Guilds Examination was replaced by the

REVIEW OF OPERATIONS Continued

Guyana Technical Education Examination in 1981. 75 of the 78 apprentices who took this examination were successful, with the candidates obtaining 33 distinctions and 36 credits. The other three apprentices were referred.

The Training Centre also offered specialised training to Chargehands, Foremen and newly appointed Shift Managers. In addition to training students from the Community High School, 19 persons were trained for the Central Recruitment and Manpower Agency, and 6 for the Police Department.

**Assistance to Study Scheme.** Workers continued to avail themselves of the loans provided under this Scheme to cover the cost of correspondence courses mainly in the Accounting and Engineering fields.

**Guysuco Scholarships.** The last three awards of the Scholarships funded by the industry to mark the founding of the Republic of Guyana were made by the Scholarship Committee of the University of Guyana - two in the field of Chemistry and one in Biology.

to be an excellent exercise in face-to-face communication with both management and non-management workers, through formal meetings and individual contacts.

The Head Office Drama Group continued to flourish, and there was some success in the resuscitation of Drama Groups on estates, particularly in the Berbice region. The participation of the management and non-management workers from Head Office and the Demerara Estates at the annual May Day parade organised by the Guyana Trades Union Congress, was good.

The Ministry of Works and Transport has acquired the additional land needed in the vicinity of the site of the old Chateau Margot factory to develop a public park and to site the Sugar Industry Museum. Some historic structures and equipment have already been identified, and estates continue to collect suitable specimens for the Museum.

With the support of the three unions operating in the sugar industry, the participative committees of selected management



*Skeldon Estate Workers' Council in Session.*

**Communications.** The Corporation's communications media for both external and internal communication were monitored centrally by the Central Communications Committee, which held seven meetings during the year. Briefing Sessions, Head Office and Estate News Bulletins and Communication Boards, were still the main media for internal communication. The Corporation's house journal "Sugar News", the radio programme "Sugar and the Nation", exhibitions at the National and Regional levels, press releases and organised visits to the estates, were used for internal as well as external communications. Above all, the Chairman's visits to estates continued

and non-management workers on the estates, were replaced in November, 1981, by Workers' Councils, under a Constitution accepted by the unions, with some reservations.

The Guyana Agricultural and General Workers' Union and the National Association of Agricultural, Commercial and Industrial Employees, were active during the course of the elections held for non-management members on these Councils, to ensure that the election procedures were observed and that the candidates of their choice were fully supported. The result was that over 90 per cent of the non-management members of the Workers'

REVIEW OF OPERATIONS Continued

CHAMPION WORKERS 1981



**Skeldon**  
Cyril Donald Halaal M.S.



**Albion**  
Patiraj Rampersaud



**Leonora**  
Boodram



**Uitvlugt**  
Doodnauth



**Rosehall**  
Clement Nurul Hassan



**Blairmont**  
Henry Carriero



**Enmore**  
Cyril Dasrat



**LBI/Ogle**  
David Barker



**Diamond**  
Sheik Azwim Baksh



**Wales**  
Kellawan Lakhan

Councils are the Representatives and/or active supporters of these two unions.

On each estate, there are three Departmental Workers' Councils and an Estate Workers' Council. The Vice-Chairman of each Departmental Workers' Council is a non-management worker who also participates in the Estate Workers' Council meetings. These Workers' Councils have all got off to a good start, and their performance is being monitored to decide on the extension of this form of worker participation to the higher decision making levels on the Corporation.

The Guysuco Production Honours Roll Scheme continued to prove its worth as a non-monetary incentive measure in motivating workers towards greater production and productivity. Albion Estate, with a production achievement of 104% of its revise estimated production in 1981, was adjudged the Champion Estate for the year, under this Scheme.

The Workers' Councils participated in the selection of the Champion worker for each estate. In addition to a tour of the hinterland with their wives, the champion workers for this and the preceding years, were presented with gold lapel pins, in recognition of their achievement.

**Safety.** Safety performances in field and factory showed a significant improvement compared with that of 1980. Field and Factory accidents resulting in lost time, were 8.65 per cent and 3.63 per cent, respectively, less than that in 1980. Some of these improvements can be attributed to the assistance given by the Guyana Agricultural and General Workers' Union in educating their members in safety, and the emphasis placed on safety and accident prevention in the Corporation's training programmes.

The number of accidents involving vehicles increased from 85 reported in 1980 to 134 reported in 1981, an increase of 57.6 per cent. Apart from the increase in the number of accidents, the fact that the majority of these was due to driving error and poor judgement, caused particular concern. It will be necessary therefore, to introduce more exacting criteria in selecting drivers, and more attention will have to be given to their training

## REVIEW OF OPERATIONS Continued

on the job. There was one fatal accident when a motor cyclist collided with a lorry on the Public Road.

There was no serious outbreak of fire in 1981, but there is need to implement all the recommendations made by the personnel of Shell Antilles and Guianas Limited in improving the safety of the estates' oil and petrol installations. The fire fighting appliances on estates responded to external calls from the nearby communities, and even assisted in dealing with a fire at a sister Corporation in Georgetown in the latter part of the year.

A safe practice manual was completed and circulated to estates during the year. This was used as a means of emphasising the need for safety standards in all areas, especially fire prevention, and a commitment to improving the safety of the working environment to extend the usefulness of the manual.

An Health Services Committee was appointed during the year to monitor and provide guidance on the functioning of the Corporation's health services.

Lectures on Occupational Health and Safety were given to the participants at courses at the Management Training Centre and on estates. In addition, estates continued to train persons to meet their requirements in First Aiders.

In collaboration with the Principal Nursing Officer, Ministry of Health, Nurse Aides were sent for training at the Georgetown Hospital. Arrangements were also made to upgrade the training of the Corporation's qualified nurses, at the Georgetown Hospital and Government Health Centres. One of the Corporation's medical staff graduated as a Medex during the year.

The Corporation's Health Services were strengthened during 1981 with the recruitment of two Medical Officers, an increase in the number of Midwives and the filling of some of the vacancies for Dispensers, Nurse/Midwives and Midwives.

**Sport.** Despite the constraints of finance and the weather, the inter-estate competitions were satisfactorily run off, and a number of special sporting events was organised during the year. Among the special events were road relay races, an half marathon race and two regional cross country races. These proved to be useful practice for the Corporation's athletes who participated in the National Amateur Association's events.

On some estates, sporting events formed part of the Mashramani celebrations. Guysuco continued to participate in the Public Sector Games, which included teams from Guystac, Guymine, Public Service and the Joint Services, competing in an expanding set of indoor and outdoor games. The Championship Shield which was won by Guystac, continued to elude the efforts of the Corporation, which reached the finals in most of the games.

The climax of the Corporation's sporting activities for the year

was the tour of Jamaica by a Guysuco Team, to engage their counterparts in the sugar industry in cricket, table tennis and dominoes. The Guysuco Team was successful in retaining the Harold Davis Trophy, based on the results of the games played by the teams of the two countries.

Cde. Neville Waldron of Diamond estate and Cde. Gwendolyn Cort of Albion estate, were respectively chosen as the Guysuco Male and Female Sports Personality of the year.

## INDUSTRIAL RELATIONS

Industrial Relations were relatively stable throughout the year, notwithstanding an increase in the man-days lost through work stoppages and strikes. 139,008 man-days were lost in 1981 compared with 84,637 man-days lost in 1980 through stoppages of work and strikes. The result was a loss of earnings to workers, amounting to \$2.7M in 1981 compared with \$1.5M in 1980. Albion again recorded the highest number of man-days lost on this account - 32,659, while Wales recorded 2,220 man-days lost, the lowest for the year.

An Agreement on Annual Production Incentive was concluded with the Unions in the sugar industry, on the basis of eight days' pay for a production of 300,000 tons of sugar, increasing to thirteen days' pay for a production of 316,500 tons of sugar. The industry achieved a production of 300,790 tons of sugar, which qualified for eight days' incentive pay. However, on the basis of the individual estate's performance, Albion estate was awarded eighteen days' pay, Rose Hall estate eleven days' pay, and Enmore estate ten days' pay.

The monthly Production Incentive introduced in 1980, was continued in 1981. With the exception of Wales, all estates qualified in varying degrees for Monthly Production Incentive Payments. Albion estate earned eight days' pay followed by Diamond estate, which earned five days' pay. Skeldon, Rose Hall, Blairmont and Uitvlugt estates earned three days' pay each, while Enmore, L.B.I. and Leonora estates, each qualified for one day's pay.

During the year, the Corporation implemented in the Other Crops Division, a 7% wage increase for the period 1st January, 1981 to 30th June, 1981, and a 10% wage increase for the period 1st July, 1981 to 31st December, 1981 based on wage/salary at 31 December, 1980, or assessed increment, whichever was higher. For workers in the Sugar Division, the wage increases for the corresponding periods were 10% and 12½% respectively, based on the same criteria.

These increases raised the minimum wage in the Other Crops Division from \$11.55 to \$12.70 per day, and that in the Sugar Division from \$12.68 to \$14.27 per day.

During the year, the Corporation signed Agreements with:



REVIEW OF OPERATIONS Continued

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(a) The Guyana Agricultural and General Workers' Union concluding all matters relating to wages and conditions of employment up to 1981.

(b) The National Association of Agricultural, Commercial and Industrial Employees, concluding all matters relating to conditions of employment covering the period 1977-1979.

(c) The Union of Agricultural and Allied Workers, concluding all matters relating to conditions of employment up to 1981, covering workers of the Other Crops Division.

**HEAD OFFICE BUILDING**

Good progress had been made by the Consultant Architect, Aubrey Barker Associates, in designing and finalising the details for the construction of the Corporation's Head Office Building at 200/201 Camp Street, Georgetown, when work was halted pending the approval of the State Planning Commission.

# REPORT OF THE AUDITORS

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TO THE MEMBERS OF  
GUYANA SUGAR CORPORATION LIMITED

We have examined the accounts set out on pages 27 to 38 which are in agreement with the books of the company and have been prepared under the historical cost convention, including the revaluation of the fixed assets as explained in Note 9 on page 36. We have obtained all the information and explanations we have required.

In our opinion, these accounts give under the accounting convention stated above, a true and correct view of the state of affairs of the company at 31 December 1981, and of the net deficit and source and application of funds for the year then ended, in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

The financial statements do not contain the current cost accounts required by Statement of Standard Accounting Practice No. 16.

THOMAS, STOLL, DIAS & CO.  
Member Firm  
TOUCHE ROSS INTERNATIONAL  
5 America Street  
Georgetown  
Guyana  
26 January 1982

**STATEMENT OF NET INCOME/ (DEFICIT)**

For the year ended 31 December 1981

	Notes	1981	1980
SALES	1	\$000 <u>316,686</u>	\$000 <u>328,784</u>
NET INCOME/(DEFICIT) BEFORE TAXATION AND EXTRAORDINARY ITEM	2	(61,905)	6,198
TAXATION	3	<u>—</u>	<u>1,010</u>
		(61,905)	5,188
VALUATION SURPLUS ON DISPOSAL OF FIXED ASSETS TRANSFERRED FROM RESERVES		<u>130</u>	<u>133</u>
INCOME/(DEFICIT) BEFORE EXTRAORDINARY ITEM		(61,775)	5,321
EXTRAORDINARY ITEM – EXCHANGE LOSS	4	<u>(20,556)</u>	<u>—</u>
INCOME/(DEFICIT) AFTER EXTRAORDINARY ITEM		(82,331)	5,321
DIVIDEND	5	<u>—</u>	<u>4,676</u>
NET SURPLUS/(DEFICIT) FOR THE YEAR		<u>(82,331)</u>	<u>645</u>

**STATEMENT OF RESERVES**

	Total	Operating	Sugar Industry Rehabilitation Fund	Valuation
	\$000	\$000	\$000	\$000
Balance at 1 January 1981	51,920	(5,593)	8,024	49,489
Prior year adjustment Dividend (Note 5)	<u>( 4,676)</u>	<u>( 4,676)</u>	<u>—</u>	<u>—</u>
Balance at 1 January 1981 - as restated	47,244	(10,269)	8,024	49,489
Net Deficit for the year	(82,331)	(82,331)	<u>—</u>	<u>—</u>
Less: Valuation surplus on disposal of fixed assets transferred to Income Statement	<u>( 130)</u>	<u>—</u>	<u>—</u>	<u>( 130)</u>
BALANCE at 31 December 1981	<u>(35,217)</u>	<u>(92,600)</u>	<u>8,024</u>	<u>49,359</u>

**BALANCE SHEET**

At 31 December 1981

	Notes	1981	1980
		\$000	\$000
<b>SHARE CAPITAL</b>			
AUTHORISED 72,000,000 ordinary shares of \$1.00 each		<u>72,000</u>	<u>72,000</u>
ISSUED AND FULLY PAID 48,536,775 ordinary shares of \$1.00 each		48,537	48,537
RESERVES		<u>(35,217)</u>	<u>47,244</u>
CAPITAL AND RESERVES		13,320	95,781
DEFERRED LIABILITIES	7	18,299	18,299
NON-CURRENT LOANS	8	<u>7,430</u>	<u>9,629</u>
		<u>39,049</u>	<u>123,709</u>
<b>REPRESENTED BY</b>			
FIXED ASSETS	9	132,256	129,921
INVESTMENTS	10	105	106
DEFERRED RECEIVABLES	11	5,459	11,298
DEFERRED CULTIVATION COSTS		797	1,138
NET CURRENT LIABILITIES	12	<u>( 99,568)</u>	<u>( 18,754)</u>
		<u>39,049</u>	<u>123,709</u>

Directors:

Harold B. Davis

A. Y. Luck

# STATEMENT OF SOURCE AND APPLICATION OF FUNDS

For the year ended 31 December 1981

	1981	1980
	\$000	\$000
<b>SOURCE OF FUNDS</b>		
Net Income/(Deficit) before taxation and extraordinary item	(61,905)	6,198
Extraordinary item - exchange loss	(20,556)	—
	(82,461)	6,198
Adjustment for items not involving the movement of funds		
Depreciation	13,142	12,452
Provision for ex-gratia pensions	7,483	—
Provision for loss on investment	—	61
<b>FUNDS GENERATED FROM / (USED IN) OPERATIONS</b>	<b>(61,836)</b>	<b>18,711</b>
<b>FUNDS FROM OTHER SOURCES</b>		
Reimbursement of ex-gratia pensions paid	2,483	640
Receipts from the Sugar Industry	—	1,169
Rehabilitation Fund	—	406
Disposal of fixed assets	289	—
Redemption of investment	1	—
Deferred cultivation costs	341	296
<b>TOTAL SOURCE OF FUNDS</b>	<b>(58,722)</b>	<b>21,222</b>
<b>APPLICATION OF FUNDS</b>		
Ex-gratia pensions paid and loans to employees	4,127	3,806
Taxation paid	1,195	251
Purchase of fixed assets	15,766	15,491
Non-current loans	2,199	623
Dividends paid	4,676	—
<b>TOTAL APPLICATION OF FUNDS</b>	<b>27,963</b>	<b>20,171</b>
<b>INCREASE/(DECREASE) IN WORKING CAPITAL</b>	<b>(86,685)</b>	<b>1,051</b>
<b>REPRESENTED BY:</b>		
Increase in Inventories and Unsold Produce	3,608	7,376
Increase/(Decrease) in Debtors	(3,231)	6,591
Increase in External Payments Deposit	25	427
(Increase) in Creditors	(2,458)	(13,494)
(Increase)/Decrease in Loans Repayable within one year	(36,962)	13,766
	(39,018)	14,666
Movement in Net Liquid Funds	(47,667)	(13,615)
	(86,685)	1,051
Cash in Hand and at Bank	( 428)	261
Bank Overdraft	(47,239)	(13,876)
	(47,667)	(13,615)

# SUMMARY OF ACCOUNTING POLICIES

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## 1. FIXED ASSETS AND DEPRECIATION

Fixed assets vested on 26 May 1976 are stated at the book values of the predecessor owners, which were in excess of compensation price by \$50,055,942, less provision for depreciation and amortisation computed on those values. All fixed assets acquired after that date are stated at cost less provision for depreciation and amortisation.

The excess of book values over compensation price referred to in the preceding paragraph, was set up as the opening balance of the valuation reserve.

Depreciation is provided on the straight line basis calculated to write off each asset over its estimated useful life as follows:

Freehold buildings	---	Over 50 years
Leasehold properties	—	Over the lives of the leases
Land expansion costs	—	From 5 to 10 years
Plant and equipment	—	From 5 to 16 years
Motor vehicles	—	Over 4 years
Aircraft	—	Over 3 years

The value of ratoon crop is recognised only when reaped, thus all costs for this item have been written off at the balance sheet date.

## 2. CURRENT COST ACCOUNTING

The accounts have been prepared under the historical cost convention and do not contain the current cost accounts as required by Statement of Standard Accounting Practice 16.

## 3. INVENTORIES AND UNSOLD PRODUCE

Unsold produce is valued at estimated realisable value less deductions for sugar industry special funds contributions, shipping and selling expenses, where applicable.

Consumable spares and supplies are valued at standard cost, which approximates average cost.

The value of standing cane is not included in inventories.

## 4. DEFERRED CULTIVATION COSTS

Cultivation costs related to newly developed land are written off against revenue in the first year in which income is generated.

## 5. DEBTORS

Provision is made for doubtful accounts of debtors as required, while bad debts are written off against income when determined.

SUMMARY OF ACCOUNTING POLICIES Continued

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**6. RESEARCH AND DEVELOPMENT**

Research and development expenditure is charged against revenue in the year in which it is incurred.

**7. FOREIGN CURRENCY TRANSACTIONS**

Foreign currency transactions are recorded in Guyana currency at the rates of exchange ruling at the dates of such transactions. At the balance sheet date, foreign currency assets and liabilities were translated at the rates of exchange ruling at that date and resulting gains and losses were recognised in the income statement.

**8. SALES**

Sales represent the amounts received and receivable from the sale of sugar and molasses produced during the year, net of sugar industry special funds contributions, stevedoring and loading charges. Sales also include amounts received and receivable from the sale of other crops produced during the year.

**9. PENSION SCHEME**

- (1) The Company participates in a contributory pension scheme for its employees. The contributions are held in trustee administered funds which are separate from the Company's finances.
- (ii) Employees who have retired and were not members of the pension scheme are paid ex-gratia pensions which are recoverable from the Sugar Industry Price Stabilisation Fund. Any amounts not considered to be recoverable are provided for in the income statement.

## NOTES ON THE ACCOUNTS

	1981	1980
	\$000	\$000
<b>1. SALES</b>		
Sugar and Molasses	316,272	328,280
Other Crops	414	504
	<u>316,686</u>	<u>328,784</u>
Export Sales Levy	145,445	164,639
Amount payable (provisional)	(145,445)	(164,639)
Remitted by Government	—	—
	<u>316,686</u>	<u>328,784</u>

Under section 6 (1) of the Financial Administration and Audit Act, the Government of Guyana has agreed to remit \$145,444,716 (1980 - \$164,639,379) of the Sugar Levy payable pending amendment of the Sugar Levy Act 1974.

<b>2. NET INCOME/(DEFICIT) BEFORE TAXATION AND EXTRAORDINARY ITEM</b>		
	<u>(61,905)</u>	<u>6,198</u>
This amount is determined after the following items have been dealt with:		
Depreciation	13,142	12,452
Audit fees and expenses	167	175
Loss/(Gain) on sale of fixed assets	30	( 261)
Loss/(Gain) on exchange	105	( 21)
Interest expense — net	22,902	14,409
Property Tax	—	598
Research and Development	666	698
Provision for ex-gratia pensions (Note 6)	<u>7,483</u>	<u>—</u>

<b>3. TAXATION</b>		
Income Tax at 20%	—	425
Corporation Tax at 25%	—	532
Capital Gains Tax at 20%	—	53
	<u>—</u>	<u>1,010</u>

Losses carried forward which can be set off against future income amounted to \$88,873,727. However, utilisation of such losses is restricted to 50% of the chargeable income of the particular year.



## NOTES ON THE ACCOUNTS Continued

	1981	1980
	\$000	\$000
<b>4. EXTRAORDINARY ITEM</b>	<u>(20,556)</u>	<u>—</u>
On 1 June 1981 the Guyana dollar which was aligned to the United States dollar, was realigned to a basket of currencies.		
All amounts denominated in foreign currencies were translated using the rates of exchange as at 1 June 1981 and the difference in exchange arising from this translation is shown above.		
<b>5. PRIOR YEAR ADJUSTMENT – DIVIDEND</b>	<u>—</u>	<u>4,676</u>
Dividend in respect of 1980 income paid in 1981 now accounted for		
<b>6. PROVISION FOR EX-GRATIA PENSIONS</b>	<u>7,483</u>	<u>—</u>
The Company makes payments of ex-gratia pensions which are recoverable from the Sugar Industry Price Stabilisation Fund. During 1981, the accounts of the Price Stabilisation Fund for 1980 were made available and this revealed that the amount recoverable from the Fund was greater than the balance in the Fund. The Directors have therefore decided to make a provision in the accounts for the difference.		
<b>7. DEFERRED LIABILITIES</b>		
Guyana Agricultural Products Corporation	4,733	4,733
Demerara Sugar Company Limited	<u>13,566</u>	<u>13,566</u>
	<u>18,299</u>	<u>18,299</u>

These liabilities will be settled by the issue of ordinary shares to the shareholders of these companies.

## NOTES ON THE ACCOUNTS Continued

	1981	1980
	\$000	\$000
<b>8. LOANS</b>		
The following loans are guaranteed by the Government of Guyana.		
(a) NON-CURRENT		
(i) Tennant Guaranty Limited		
Loan II. A U.S. dollar loan repayable in equal half yearly instalments ending in December 1982. Interest is payable at the rate of 7.25% per annum	1,725	3,081
Loan III. A U.S. dollar loan repayable in equal half yearly instalments ending in September 1984. Interest is payable at the rate of 7.25% per annum	5,451	6,301
(ii) Citizens and Southern International Bank		
A U.S. dollar loan repayable in equal half yearly instalments ending in December 1982. Interest is payable at a rate of 2% per annum over the Bank's prime rate, which, at 31 December 1981 was an effective rate of 17% per annum.	671	760
(iii) Chase Bank International – Chicago		
A U.S. dollar loan repayable in equal half yearly instalments ending in April 1983. Interest is payable at a rate of 9% per annum.	456	647
(iv) Lloyds Bank Limited		
A sterling loan repayable in equal half yearly instalments ending in October 1983. Interest is payable at a rate of 7½% per annum	1,848	3,064
(v) Lloyds Bank Limited		
A sterling loan repayable in semi annual instalments of £170,000 ending in 1986. Interest is at the rate of 7½% per annum.	4,522	—
Carried forward	14,673	13,853

## NOTES ON THE ACCOUNTS Continued

	1981	1980
<b>8. LOANS</b>	<b>\$000</b>	<b>\$000</b>
(a) Non-Current (Cont'd)		
Brought Forward	14,673	13,853
(vi) Guyana Co-operative Agricultural and Industrial Development Bank.		
The loan is repayable in sixteen (16) equal half yearly instalments ending in December 1987. Interest is payable at the rate of 10% per annum	403	628
Less:		
Loans repayable within one year	<u>7,646</u>	<u>4,852</u>
	<u>7,430</u>	<u>9,629</u>
(b) CURRENT - REPAYABLE WITHIN ONE YEAR		
(i) The Chase Manhattan Bank		
A Euro-dollar loan repayable by deduction of 30% of sale proceeds of sugar. Interest is at a rate per annum equal to the aggregate of one per cent and the London dollar base rate of the Chase Manhattan Bank, N.A. which at 31 December was an effective rate of 14 1/8% per annum.	66,616	23,722
The loan in 1980 was repaid and the above terms relate to the 1981 loan.		
(ii) Local Insurance Companies and others	2,340	11,066
(iii) Loans repayable within one year (per (a) above).	<u>7,646</u>	<u>4,852</u>
Total current loans - repayable within one year.	<u>76,602</u>	<u>39,640</u>

## NOTES ON THE ACCOUNTS Continued

	TOTAL	LAND AND BUILDINGS			LAND EXPANSION COSTS	PLANT MACHINERY & EQUIPMENT
		Freehold	Leasehold	State Lands		
	\$000	\$000	\$000	\$000	\$000	\$000
<b>9. FIXED ASSETS</b>						
<b>COST OR VALUATION</b>						
At 1 January 1981	177,280	35,777	2,634	18,799	8,745	111,325
Additions	15,766	2,111	1	—	—	13,654
Disposals	( 600)	( 78)	—	—	( 1)	( 521)
At 31 December 1981	<u>192,446</u>	<u>37,810</u>	<u>2,635</u>	<u>18,799</u>	<u>8,744</u>	<u>124,458</u>
Comprising:						
Valuation	110,696	32,678	2,549	18,799	6,553	50,117
Cost	81,750	5,132	86	—	2,191	74,341
	<u>192,446</u>	<u>37,810</u>	<u>2,635</u>	<u>18,799</u>	<u>8,744</u>	<u>124,458</u>
<b>DEPRECIATION</b>						
At 1 January 1981	47,359	1,345	428	—	3,820	41,766
Provision for year	13,142	343	82	—	942	11,775
Retirements and disposals	( 311)	( 8)	—	—	( 1)	( 302)
At 31 December 1981	<u>60,190</u>	<u>1,680</u>	<u>510</u>	<u>—</u>	<u>4,761</u>	<u>53,239</u>
<b>NET BOOK VALUES:</b>						
AT 31 DECEMBER 1981	<u>132,256</u>	<u>36,130</u>	<u>2,125</u>	<u>18,799</u>	<u>3,983</u>	<u>71,219</u>
AT 31 DECEMBER 1980	<u>129,921</u>	<u>34,432</u>	<u>2,206</u>	<u>18,799</u>	<u>4,925</u>	<u>69,559</u>

## NOTES ON THE ACCOUNTS Continued

	1981	1980
	\$000	\$000
<b>10. INVESTMENTS</b>		
<b>ASSOCIATES</b>		
Lochabar Limited -		
1,280 ordinary shares of \$20.00 each (37%) Approximate equity value \$207,000	23	23
Cane Farming Development Corporation Limited -		
18,500 'B' ordinary shares of \$5.00 each (25%) (This Company is in liquidation and provision has been made for possible losses arising therefrom).	31	31
	<u>54</u>	<u>54</u>
<b>OTHER</b>		
Livestock Development Company Limited -		
55,000 ordinary shares of \$1.00 each (1%) Approximate market value \$42,000	50	50
Government of Guyana 7% equated annuity debentures repayable half yearly	<u>1</u>	<u>2</u>
	<u>51</u>	<u>52</u>
	<u>105</u>	<u>106</u>
<b>11. DEFERRED RECEIVABLES</b>		
*Sugar Industry Price Stabilisation Fund – Ex-gratia pensions less provision	5,435	11,278
Loans to employees	<u>24</u>	<u>20</u>
	<u>5,459</u>	<u>11,298</u>

\*This amount represents ex-gratia payments made to pensioners and is recoverable from the Special Funds Committee in accordance with the Sugar Industry Special Funds Act, Chapter 69:03

## NOTES ON THE ACCOUNTS Continued

	1981	1980
	\$000	\$000
<b>12. NET CURRENT LIABILITIES</b>		
Inventories	84,062	57,528
Unsold produce	12,021	34,947
Debtors	21,932	25,163
External payments deposit	452	427
Cash in hand and at bank	226	654
	<u>118,693</u>	<u>118,719</u>
Less:		
Creditors	53,805	51,347
Loans repayable within one year	76,602	39,640
Dividend	—	4,676
Bank overdraft	87,161	39,922
Taxation	693	1,888
	<u>218,261</u>	<u>137,473</u>
	<u>( 99,568)</u>	<u>( 18,754)</u>
<b>13. FUTURE CAPITAL EXPENDITURE</b>		
Expenditure authorised by the Directors and contracted	26,098	18,033
Expenditure authorised by the Directors but not contracted	41,687	25,000

# STATEMENT OF EMPLOYMENT AND COMMUNITY COSTS

	1979	1980	1981
	\$M	\$M	\$M
<b>EMPLOYMENT COSTS</b>			
<b>Direct Employee Benefits</b>			
Wages and Salaries	124.9	139.6	164.2
Incentive Payments	3.8	3.9	10.1
Other Employee Benefits	14.9	18.7	21.7
Labour Transport Costs	6.0	7.3	9.7
	<u>149.6</u>	<u>169.5</u>	<u>205.7</u>
<b>COMMUNITY COSTS</b>			
Central Government Taxation and Levies	1.5	1.2	1.3
Local Government Rates and Taxes	.9	.8	1.0
Local Sugar Sales Subsidy	17.1	27.8	33.7
Sugar Industry Special Funds	7.1	6.3	7.0
Community Services	.7	.9	.6
	<u>27.3</u>	<u>37.0</u>	<u>43.6</u>
<b>TOTAL</b>	<u>176.9</u>	<u>206.5</u>	<u>249.3</u>
<b>NUMBER OF EMPLOYEES</b>	33,067	31,128	31,374
<b>TONS SUGAR PRODUCED</b>	298,268	269,634	300,790

# SHARING OF EARNINGS

