GUYANA SUGAR CORPORATION LIMITED

REPORT & ACCOUNTS 1984

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GUYSUCO'S MISSION

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 integregation 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

Chairman	H B Davis, CCH, MA, BSc.
Vice Chairman	Yesu Persaud, CCH, FCCA.
Directors	J S L Browman DECIAF, BSc, MSc, DPA.
	B Chandra, DECIAF.
	I A McDonald, MA
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	W E H Tyrell
	J R Vieira, AA
	V M Young-Kong, BSc.
Secretary	C J Lawrence

CHAIRMAN'S STATEMENT

In my statement which accompanied our 1983 Report and Accounts I indicated that it was the feeling of my team and I that the 'turnaround' cycle had commenced.

The financial performance of the Guyana Sugar Corporation Limited for the year ended 1984 December 31 may suggest otherwise. However, I am convinced that the 'turnaround' did commence in 1983 and that we are on the road to financial recovery.

Those who have been following the affairs of the Corporation since it came into being in May 1976 and who have been reading my statements over the years might be inclined to comment that the basic "grievances" of Guyana's Sugar Industry have remained essentially the same to the end of 1983 — I refer here to the loss of our highest yielding varieties through diseases such as Smut, adverse weather conditions, the poor state of our agricultural equipment, plant and machinery due primarily to the inadequacy of foreign exchange, poor sugar prices particularly on the World market, high level of subsidy on the local market, the declining value of the pound sterling vis-a-vis the U.S. dollar, poor factory performance as a result of low levels of capital replacement and inadequacy of spare parts as and when required. Many of these problems repeated themselves during the course of 1984. Nevertheless I prefer to devote the greater part of my remarks this year to some of the more positive features of the year, the more positive indicators for the future. However, before I get there, a brief resume of our performance in 1984.

Production amounted to 241,861 tons of sugar, a reduction of 3.97% when compared with 1983. Estates' field production was 215,167 tons sugar compared with 218,093 tons in 1983. Farmers' production was 26,694 tons compared with 33,777 tons in 1983.

Our total sales for the year, i.e. sales of sugar, molasses and produce from our Other Crops Division was \$307.4M, an increase of \$76.3M over 1983.

Gross foreign exchange earnings of the Corporation amounted to \$278.1M in Guyana dollar terms compared with \$218.9M in 1983. This represents an improvement over 1983 of 27%. The Corporation's total operating deficit for the year just ended amounted to \$102.2M, \$17.5M less than that of 1983, a reduction of 14.6%.

The subsidy to the consumers in 1984 was \$31.3M compared with \$39.1M in 1983 and \$32.2M in 1982. With the increased price we should see an elimination of the subsidy, but there remains the question of whether or not we should obtain a price over and above cost of production. It is my view that the case is strong for a further increase and I propose discussing this in due course with the Central Government.

As will be seen over the recent years (due primarily to the average prices received in relation to our cost of production) the Corporation has been faced with an increasing debt problem snowballing each year with a concomitant escalating interest burden. This was momentarily relieved in 1982 with the increased equity participation by Central Government. Interest expense has been one of our largest items of expenditure, \$39.2M in 1984 compared with \$21.6M in 1983. The Corporation continued to rely heavily on the local banking system for its working capital financing.

Capital expenditure for the year amounted to \$19.4M, \$10.0M more than that of 1983. While the overall level of capital expenditure was small when compared with our total needs, the increase was indeed gratifying and served as a morale booster to our technical staff. Our capital expenditure during the year was financed primarily from two sources, namely the Inter-American Development Bank and from within the Corporation's retention facility. Indications are that a significant part of the critical capital needs of the Corporation would be financed by funds loaned the Government of Guyana by the Inter-American Development Bank. Financing from this source in 1984 inclusive of initial spares amounted to G$7.1M through the second tranche of the Agricultural Sector loan and 1985 will see expenditure of some G$11M from the third tranche of this loan. At the time of writing, I am advised of additional financing under the IADB's Industrial Credit Line - all in all, a most encouraging situation.

As I indicated, some financing was done out of our retention facility. This facility was intended mainly for the procurement of much needed spare parts for our field and factory equipment, plant and machinery and fertilisers. However, with the state of our equipment being what it was, and given my team's commitment to 'turnaround' our industry, it was necessary that a conscious sacrifice be made particularly with spare parts procurement to enable us to secure certain essential items of capital equipment through the use of this facility. Financing from this source was of the order of $8.9M.

Easily the greatest problems which faced us during 1984 were the extremely poor weather conditions which prevailed during the period May to December 1984, and the continued decline in the pound sterling. This decline not only reduced our income since 68.5% of our production went to the United Kingdom and was paid for in sterling, but also led to the further decline in the purchasing power of our retention facility.

Paradoxically, the ridiculously low world price did not affect us to any significant degree in view of the marketing arrangements made to adjust to low production.

Production in the first crop, the highest since 1980, indicated what we can do when basic conditions are favourable. I refer here of course to the excellent harvesting conditions which then prevailed.

At the time of my 1983 statement we were confident that the production of some 280,000 tons could have been achieved. However, the rains came in May and lasted until December in a distribution much worse than that hitherto experienced, and which not only significantly disrupted our production, but also resulted in our second crop production being achieved at an unduly high cost.

At the time of writing, conditions obtaining during this 1985 first crop are again excellent, but my experience of 1984 restrains me from commenting further on 1985 at this point in time.

The sinking value of the pound sterling in relation to the U.S. dollar continued to be a major source of concern not only to the sugar industry but to our Nation as a whole. The devaluation of the Guyana dollar which took place on January 10 1984, and the mechanism which was brought into place and which reviewed the value of the Guyana dollar in relation to a basket of currencies including the pound sterling and the U.S. dollar, to some extent served to alleviate the position and increased our earnings in Guyana dollars. It is hoped that 1985 will see some strengthening of the pound sterling.

As I had promised our readers earlier, I wish to devote the greater part of my statement for 1984 on some of the more positive aspects of our performance and on the more positive indicators for the future.

1984 saw a number of promising developments. These include the installation and commissioning of a Punt Dumper, the first of its kind in Guyana; the acquisition of a line of mechanical harvesting equipment; the increase in the local selling price; the improvement in certain key factory productivity ratios; and, as I had mentioned earlier, capital financing by the Inter-American Development Bank.

Noticeable shortages of labour, particularly cane harvesters, appeared at Skeldon and Blairmont Estates during the course of this year. Prior to these, labour shortages were recognised at L.B.I., Diamond and Wales Estates. It is obvious that the Corporation needed to accelerate its drive towards securing suitable mechanical harvesting equipment to complement the available pool of labour, thereby avoiding any significant reduction in production. As was indicated in my 1983 Report, we were in the process of installing at Diamond a Punt Dumper as the first stage in our mechanical harvesting programme, and later in 1984 we were to negotiate the acquisition of the remaining mechanical harvesting equipment. I am happy to report that the Punt Dumper has been installed and commissioned, is working well and has already in the few months it has been in operation achieved material economies; also we have acquired the remaining mechanical harvesting equipment which is now operational. Our agricultural engineers are closely monitoring this exercise and it is my hope that the East Demerara Triangle, i.e., Enmore, L.B.I. and Diamond estates will increase their overall production in 1985 as a result of this innovation.

We hope also during 1985 to install at least one other Punt Dumper at Albion. Given the declining pool of cane harvesters I am convinced that further investment in mechanical harvesting equipment will need to be made. Much, however, will depend on the equipment currently operational at Diamond.

By and large, our factories are now in much better shape than they were three years ago. This is due essentially to the foreign exchange retention facilities introduced early in 1983 whereby a percentage of our export earnings is set aside for the purpose of procuring much needed spare parts for diverse equipment and agricultural chemicals.

While the factories did not receive as much as they would like to have had, it is fair to say that much was injected into the ten mills particularly during the period December 1983 to August 1984. The weather during the second crop, however, prevented factories from operating in a sustained manner and we were unable to evaluate the effectiveness of the inputs. Overall, however, factory performance showed general improvement. Compared with 1983, there were improvements in mechanical downtime, mill extraction and throughput. Despite a few exceptions, overall performance during the first few weeks of the 1985 crop has been most encouraging.

Of tremendous impact, particularly from the point of view of our operating results, were two increases in the selling prices of sugar sold to the local market. As a result of these increases we now enjoy a price which equates with what we consider a reasonable cost of production per ton sugar.

At this stage I feel I must say a few words on the financing provided by the Inter-American Development Bank to the Government of Guyana, the Agricultural Sector Loan, from which the Corporation benefited. This has proven a great boon. I say this not only in respect of the physical benefit in 1984, which was a very small part of our needs, but also the financing which we envisage in 1985, the third Tranche of the Agricultural Sector Loan, and also in 1985 the Industrial Line. Put together these represent at least 35% of our total capital programme involving equipment most crucial to our recovery process. In addition to equipment and initial spares, financing was also made available for the purchase of agricultural chemicals.

While the Other Crops Division did not show any improvement in its financial performance, when compared with 1983, a number of encouraging indicators did appear. The most important was the purchase of a new Mill for the Wauna Oil Palm Estate. This mill described as a 'Junior' Mill, with a capacity of 1500 kgs. FFB per hour has been fully paid for by the Corporation and is due to arrive in the country during March 1985, for commissioning circa June/July 1985. This investment we feel is an extremely worthy one and will serve as a catalyst for the overall development of the Wauna Oil Palm Estate. Our work in rice cultivation and aquaculture continued apace. Rice has had its fair share of hiccups but we expect a significant improvement in our production efforts in 1985. Aquaculture had as its main adversary, praedial larceny. All the indications are however that edible oil, rice and fish products would be our main non sugar money makers. We are about to embark on a study which deals with the integration of sugar cane, fish, swine and poultry production. It is hoped that 1985 would see some concrete development in this area.

With regards to Energy Conservation, a pre-feasibility study has commenced on the question of utilising bagasse more efficiently, with a view to not only making the industry more self sufficient but also feeding the surplus energy produced into the National grid.

I come now to what must be a crucial question in the minds of many of our readers, particularly after they read our Accounts, i.e. the question of our liquidity/loss making problems. We recognise that the injection of equipment and spare parts will not by themselves result in the Corporation returning to a position of financial viability. We appreciate that we need to deal with the question of the accumulated borrowing at December 1984. We know we have to reverse the relationship between our revenues and cash consumption. We are at the moment looking very minutely at the operations of our estates and at the utilisation of our resources, be they human, machines or land. Very thorough and positive guidelines have been given the Management of our locations which ought to result in a material reduction in their cost of production. These guidelines were premised on the firm conviction that increased production must come primarily through improved productivity. In addition to the foregoing, we hope shortly to initiate discussions with the State Planning Commission on the question of Central Government increasing its participation in the Equity Share Capital of the Corporation and also converting the existing loan to Equity. I am convinced that with the injection of equipment, with the reconceptualising of cash consumption by Managers, with the streamlining and rationalising of our estates and increased Equity injection by Central Government, the Corporation will stand a very real chance of achieving financial viability in the forseeable future.

Of course, such an achievement as I have outlined above has as a necessary prerequisite, the total appreciation of our problems and the fullest co-operation to try and improve our production through better productivity by the Trade Unions representing the workers of the Sugar Industry and the workers themselves. There will need to be a marked reduction in work stoppages for non-industrial reasons and there will need to be a general tightening up of attitudes with regard to work. I will therefore be looking forward to the active and constructive participation of our Unions in putting our Industry back into the profitable state to which I am convinced it can be returned.

I would like to take this opportunity of thanking all our workers both Managerial and non-Managerial, who worked hard and loyally during 1984. We have been losing personnel particularly at the managerial and technical levels and the average age of our Managerial personnel is significantly lower. However, notwithstanding their relative inexperience, many of them have stuck to their jobs, they tried their best and in their own way have contributed significantly.

I further wish to thank the Ministers of Government and the Board of Directors for their continued guidance and support. I am confident that this Industry will not only survive but return to a position of prominence in the National economic scheme of things from the point of view of sound economic and financial health.

REVIEW OF OPERATIONS

SUGAR PRODUCTION:

In 1984, 241,861 long tons of sugar were produced consisting of 105,161 tons in the first crop and 136,700 tons in the second crop. This compares with 251,870 tons produced in 1983, 86,095 tons in the first crop and 165,775 tons in the second. 215,167 tons sugar were produced from estate canes compared with 218,093 tons in 1983, a shortfall of 1.34%, while farmers' production was 26,694 tons compared with 33,777 tons in 1983, a shortfall of 20.97%. Overall production in 1984 was 3.97% below that of 1983.

Harvesting conditions during the first crop were generally favourable, with precipitation during February, March and April well below normal. The first crop production was some 19,000 tons better than the first crops of 1982 and 1983, which did not enjoy as sustained good reaping weather as in 1984. It was apparent as well that the contracted dry period during the first half of 1982 and 1983 resulted in reduced tillage and ultimately depressed growth of plant and ratooning cane. However, yields and juice quality of the 1984 first crop were somewhat better than that of the previous two years. In view of the more congenial weather during the early part of 1984 favouring the growing crop, prospects for the 1985 first crop appeared encouraging, certainly better than in the last three years.

1,040 acres or 2.2.% more were reaped in the first crop than projected, and total production was 4,597 tons or 4.2% below estimate, with farmers accounting for 2,617 tons of this shortfall.

Total production in the second crop fell short of the projected 175,055 tons by 38,355 tons or 21.9%, with farmers' deficit being 6,481 tons or 28.7% of their estimate.

Unlike the previous two second crops, the weather pattern in the 1984 second crop was not conducive to cane maturation. The intermittent and at times heavy rainfall throughout the second half of the year, with the exception of September which was relatively dry, precluded proper burning and seriously disrupted harvesting.

TC/TS for the second crop was consequently disappointing, as were sugar and cane yields. In analysing the performance of the 1984 second crop, it is pertinent to note that the TC/TS ratio for the 1983 second crop was at that time also disappointing for a second crop. Following the comparatively wet December 1983 and January 1984, the growing second crop experienced rather dry weather for the next three months, which was the cause of severe stress symptoms in cane on some estates. In many cases irrigation could not be carried out to correct moisture deficits that developed. Cane growth was therefore impaired, and the wet conditions that prevailed during the greater part of the harvesting season induced late tillering, further reducing the sucrose content of the mature cane. These factors combined to produce a poor 2nd crop.

The limited opportunity days available during the second crop for rehabilitation of fields resulted in only 30.4% of the mechanical tillage programme being achieved, a situation aggravated by the shortage of tillage equipment.

Planting achievement was below expectation and will reflect in the accomplishment of second crops in the immediate future.

The performance of the 1984 second crop plant cane was slightly better than that of the first crop in spite of the rather more suitable weather conditions in the antecedent cropping period. It should be noted, however, that in the first half of 1984, these canes experienced severe dry conditions which would have limited growth.

Recent experimental work has confirmed that maximum recoveries of sugar resulted from canes harvested and milled within 48 hours after burning.

The lengthening of the interval between burning and grinding puts extra pressure on the factories in their efforts to maximise recoveries from cane that has far more than the acceptable level of extraneous matter.

Mechanical Tillage and Planting: During 1984 the Corporation completed 11,453.2 acres, or 57.2% of the planned Mechanical Tillage Programme. This compares with a 65.3% achievement during 1983. The main reasons for this under-achievement were the prolonged and very unreasonable wet weather in the second crop (during which only) 3,738.0 acres were completed, compared with 8,775.6 acres in the 1983 second crop) and the poor state of our mechanical tillage fleet. 13,649 acres or 63% of the planting programme was achieved. In 1984 more acres were planted than tilled in the second crop, with land prepared during the first crop and held under flood-fallow accounting for the greater part of the planted acreage in that crop.

Of late, increasing difficulty is being experienced at most locations in securing the requisite labour to complete available planting acreages with acceptable work standards.

Maintenance of Field Equipment: The unavailability of certain essential spares at the right time, high turnover of staff at all levels and inadequate replacement of old agricultural equipment resulted in another difficult year for the Maintenance Department. The end result was a high degree of modification and substitution which did not always give the expected efficiences.

Cane and Juice Quality: Intensified punt stripping exercise conducted during 1984 indicated that high extraneous content of canes delivered to factories continued to be a source of concern. Fluctuations in crusher juice analyses were monitored during the spring and autumn crops. Objective analysis of this data should provide some indicators of natural/human contributors to poor juice qualities. The effects of extraneous matter on juice quality are also being evaluated.

The Juice Quality Committee established in 1982, continued its work of monitoring factors that have a strong influence on the current trend of poor TC/TS. Recommendations were made at intervals during the year for reviewing some aspects of factory operations and field practices in an endeavour to improve this quality ratio.

Fertilisers: Laboratory investigations and industry wide field assessment of low grade phosphate rock have demonstrated that this material shows much promise as a source of Calcium and Phosphate for sugar cane. Current policy dictates that low grade phosphate rock be incorporated in plant cane fields at rates of 1.5 tons per acre. This has led to marked reductions in limestone and triple superphosphate applications.

Soil Investigations: Satisfactory progress was made in the physical and chemical study of the major sugar cane soils, and it is hoped to complete laboratory analyses during 1985. This study is expected to facilitate the further refinement of soil management in the industry's operations. The possibility of using flood-fallow as a land management tool on some alluvial soils is being evaluated at Wales Estate. These soils have hitherto been regarded as unsuitable for flood-fallow because of the relatively high silt in some phases of these soils series. The initial results from the flood-fallow trials have been very promising and the alluvial soil areas of Wales estate are being surveyed in order to identify those areas where the soil structure is relatively stable to water (the major limitation to the practice of flood-fallow).

Internal Drainage: A study-team has been appointed to examine systems for maximising the productivity of field machinery and further consider crop mechanisation. Progress was made in the planning and critical appraisal of field layouts (which are critical to in-field machine use). Unfavourable weather during the latter half of the year interrupted field trials at Diamond estate. Some progress, however, was made at Enmore estate, where it was indicated that English layout fields with 70ft. wide beds could satisfactorily cope with the drainage requirements for moderately heavy rainfall, although the number and area of drains were reduced by 40%.

Water Control: Despite the absence of the very much needed capital inputs, the main drainage and irrigation systems of the various estates coped remarkably well during the untraditionally high rainfall pattern experienced during the second half of the year. Routine maintenance works were carried out on all estates with some emergency works being necessary. Skeldon estate saw the reactivation of the No. 74 Sluice Outfall, which benefitted, through improved drainage, some 3,754 acres of sugar land and 1,500 acres of rice cultivation at Manaribisi. Blairmont estate is now supplied with water by the MMA Scheme, and a relocation programme was worked out for the serviceable dismantled equipment of the Abary Pumping Station.

It is expected to carry out further work in 1985 on in-field drainage and a modified irrigation method will be investigated during the pre-planting stage of the sugar cane crop. Work on the compilation of Water Control Manuals has been initiated and it is expected that they will be completed for each estate during 1985.

Variety Development - Breeding and Selection: Work in this very important activity continued. Seven promising varieties emerged, five at the final trial stage and two undergoing field extension for factory evaluation.

Varietal Changes in the Industry: DB 66.113 and B 41227 remain the two major varieties planted throughout the industry. DB 67.1760 is gaining popularity in the organic soils. The heavy flowering D 49.46 outyielded D 158/41 on some locations and is being increased gradually. B 63118 is performing better on the Demerara estates, but its yield potential is yet to be realised in Berbice.

Plant Protection:
Diseases: Variety D 38/57 continued to be affected by Ustilago Scitamines — smut - particularly at Albion and LBI estates, where the disease is being closely monitored. The symptoms, however, appeared to be erratic and are not suggestive of a pending epidemic so far as that variety is concerned. The variety D 158/41 also showed slight effects of the disease on some locations.

Puccinia melanocephala — Rust—was recorded on D 42/58 and DB 70/172. The latter variety, one of our more promising new ones, is being kept under close observation in order to determine the extent to which it can be planted.

PESTS:

Aeneolamia flavilatera — Froghopper: Control of froghopper in the endemic areas at Enmore and LBI/Ogle continued during 1984 with the alternation of the carbamate-type insecticide Sevin with the cholorinated hydrocarbon insecticide BHC, in order to avert possible build up of resistance to any of these chemicals. Skeldon estate experienced a higher than normal infestation during the year, but effective control was achieved. Scarcity of malathion for control of adult froghoppers hampered the programme to some extent, but good managemnt at the nymphal stage precluded the development of a serious situation at the later period of the pest cycle. During the review period, 4,833 acres were treated. During 1985, we hope to be able to rear Metarrhizium anisopilee, the green muscardine fungus, which is a parasite of the froghopper, with the aim of bringing about effective biological control.

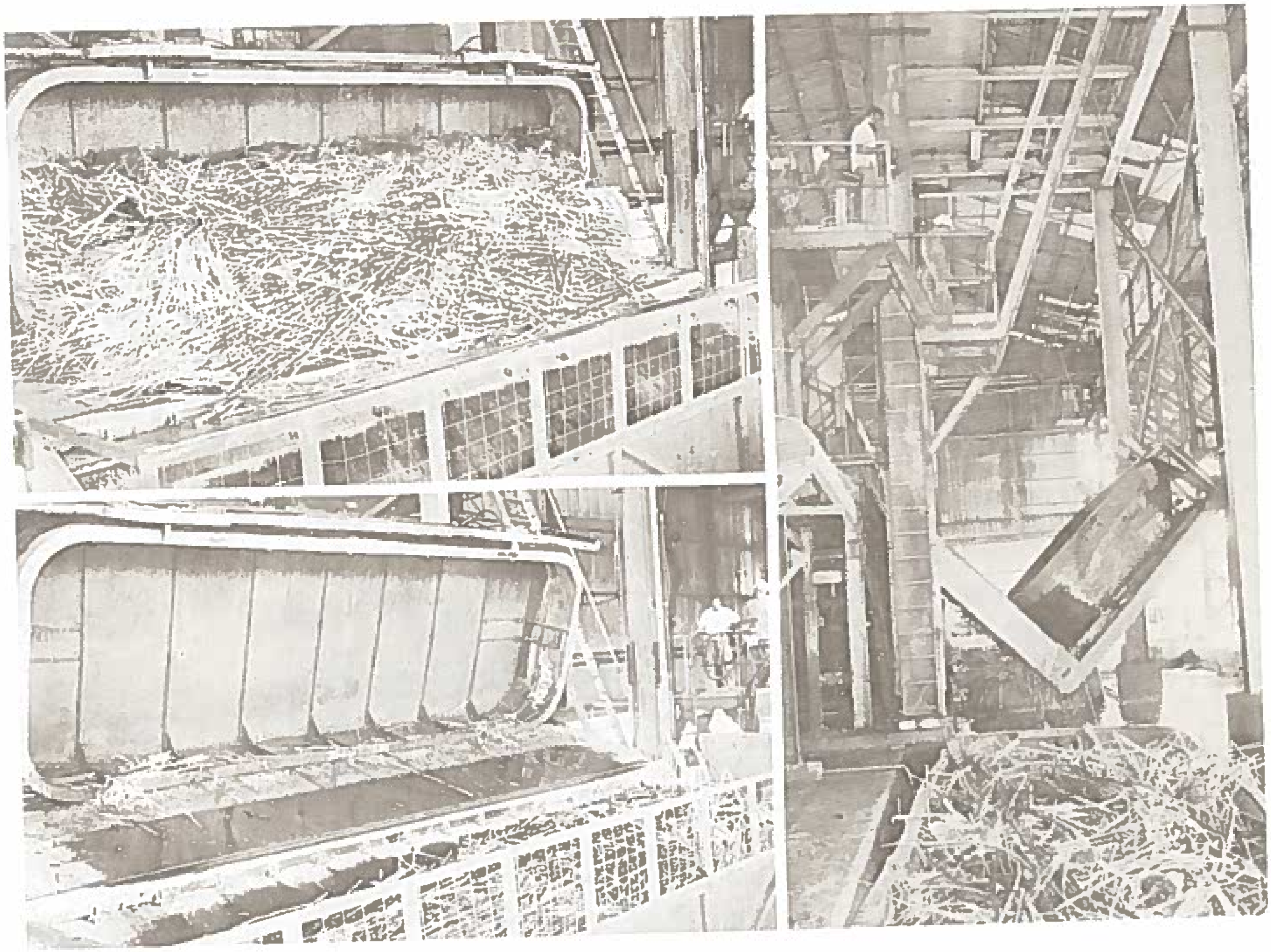
Rats: During 1984, just over one quarter of a million rats were killed. The main areas affected by rats were Diamond, Wales, Albion and Blairmont estates. Of the 226,615 killed, Albion, Blairmont and Diamond estates accounted for about four-fifths. A Rat Control Seminar was held during July to restate and highlight the control measures extant, and to indicate the strategies needed to quickly reduce infestation levels. Pre-harvest circle burning as control technique proved quite effective, and was a useful complement to the more standard techniques of hunting and baiting. There was evidence towards the end of 1984 that the campaign instituted towards the middle of the year had borne fruit, as reflected in decreased catches and a relatively stable population composition.

Weed Control: The increasing difficulties in securing adequate numbers of experienced spraymen have led to the consideration of extended use of aircraft for application of pre/early-post emergent herbicides. The successful application of the flowable Gesapax Combi at Wales and some of the other Demerara estates has been tempered by reports of phytotoxicity on specific cane varieties at the drier locations in Berbice. There is good reason to believe that the application technology needs to be reviewed in this region. The advantages of aerial spraying of the flowable product, mainly in terms of cost effectiveness and timeliness of application, emphasize the need for estates to exercise greater care in ensuring that known handicaps to the use of the chemical are minimised. During 1984, increased acreages have been treated with Gesapax Combi 500 FW with good control of weeds both terrestrially and in the aquatic system.

Crop Mechanisation: Within recent years, there has been a shortage of labour to complete critical field operations on certain estates. Diamond estate in particular, because of the acute shortage of cane harvesters, sufferred from a substantial amount of overage canes each crop. In order to obviate the resultant losses, mechanical harvesting equipment were introduced to supplement the manually cut canes.
These equipment were:—

1 Harvester
1 Continuous Loader
2 Transporters
1 Transloader
1 Punt Dumper

The latter two items of equipment were made specifically for the Corporation. Of the aforementioned, the punt dumper was installed in time for evaluation over the second crop of the year. Already



Lifted punt being tilted to discharge cane. *Cane emptied from punt into weighing hopper.* *The Punt Dumper returning punt to canal.*

substantial benefits have been realised from the punt dumping operations.

Evaluation of the remaining equipment will be further expanded into areas outside the pilot project in fields specially prepared to facilitate machine movement.

Cane Farmers' production continued to decline. In 1984, Farmers produced 26,694 tons sugar compared with 33,777 tons for 1983; a reduction of 7,083 tons or some 21%. This represents 11% of the Industry's production of 241,861, a decline from the 13% contribution in 1983

Acreages, particularly in the Demerara Region, cannot be ascertained accurately. On some locations, the acreage in cane declined substantially, in some cases for the production of food crops whilst in other areas the land was left abandoned.

Very little rehabilitation work was done. Severe rat damage was experienced and contributed to low levels of production. Continuous rainfall during the second half of the year affected ripening and resulted in a high tons cane/tons sugar ratio, and also resulted in some 2,500 acres remaining unreaped at the end of the year.

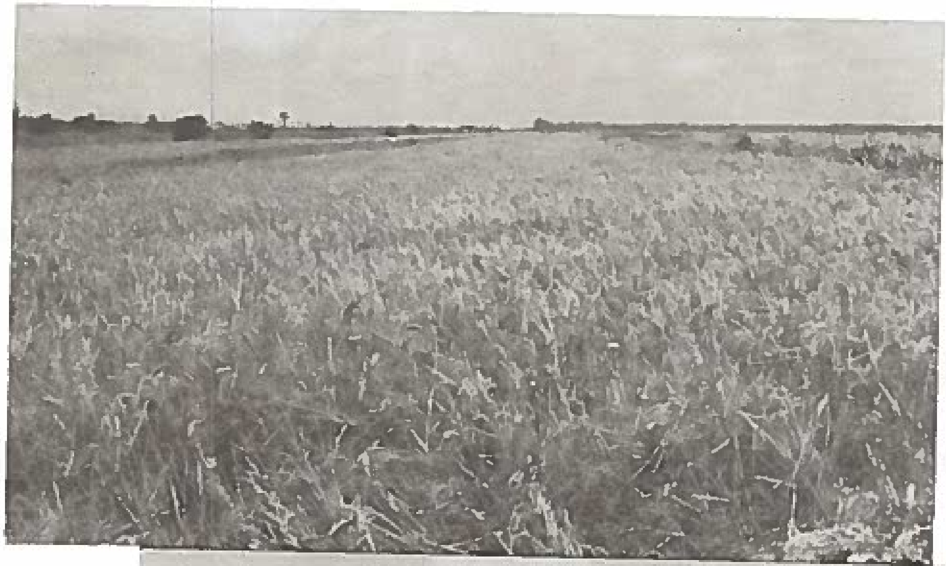
No expansion was undertaken during the year.

OTHER CROPS DIVISION:

Rice: Rice cultivation was introduced at Blairmont in 1984 in order to fully utilise lands previously planted in Corn and Legumes. 87 hectares of the variety 'Rustic' were planted for the Spring crop 1984 and yielded 5,205 Combine bags of paddy at an average yield of 59.8 bags per hectare. For the Autumn crop 50.9 hectares of 'Diwani' were cultivated and yielded 2,881 Combine bags of paddy for an average yield of 56.6 bags per hectare. This latter crop, although affected by infestation of wild ducks, nevertheless gave satisfactory yields.

At Manarabisi 660 hectares and 453.8 hectares were planted for the Spring and Autumn crops respectively. The former was seeded with 'Starbonnet' while 'Diwani' was used for the latter. The Spring crop was severely affected by infestation of Wild and Red rice and yielded 20,279 Combine bags of paddy, at a disappointing yield of 30.7 bags per hectare. There was however some improvement in the Autumn crop which yielded 23,209 Combine bags of paddy from 453.8 hectares at an average of 51.1 bags per hectare.

During the year, no further precision land levelling was done due to the wet conditions which prevailed.



Guysuco is becoming one of the nation's significant rice producers with cultivations at Manarabisi, Skeldon Estate and Haynes, Blairmont Estate. These pictures show rice, ready for harvesting as well as bagging-off operations at Manarabisi.

Productive palms at the Wauna cultivation covering more than 500 acres – Guysuco's contribution to the nation's edible oil needs.

Oil Palm: Developments in the Oil Palm programmes at San Jan and Wauna did not proceed as anticipated. The two projects continued to be affected by inadequate field machinery and equipment even though some modest additions were made. There was no significant improvement in the supply of labour.

Improvements to the San Jan factory were still incomplete. However by the end of the year a new digester, Stork press and bunch stripper were installed. The latter has already been put into operation while the other units are ready for trial.

In spite of the problems encountered at both locations 70.4 tonnes of unrefined pericarp oil were produced. At San Jan 18.7 tonnes of oil were extracted at an average extraction ratio of 16.4% While there was a small decline in production over 1983, the extraction ratio was increased by 4.4%. Fresh fruit bunches processed were 114.2 tonnes or an estimated 12% of th crop.

At Wauna, the new Stork hydraulic press wa commissioned. 435.7 tonnes of FFB were prc cessed yielding 52.3 tonnes of unrefined pericar oil at an average extraction ratio of 12%. Produc tion of oil was 12.4 tonnes greater than 1983.

Aquaculture: The Aquaculture programme wa given a further boost with the completion c hatchery facilities at Bath which has impacted o the production of hassar (Hoplosternum littorale 240,000 hassar larvae were successfully hatche from which 50,000 hassar fingerlings were r covered for rearing in fingerling production pond An experimental harvest of 125 kilograms h been made.

The programme for the replacement

A sample of the thousands of pounds of fish produced annually from the Corporation's farms at Bath, Ogle and Uitvlugt/Leonora. The sample in the net is Tilapia

Tilapia mossambica by the more vigorous Tilapia nilotica is proceeding apace. At the end of 1984, 3.4 hectares of brood ponds had been stocked with this introduced specie.

The expansion programme was somewhat affected by unfavourable weather and inadequate machinery. However, an additional 5.7 hectares of ponds were completed. The total acreage at Bath now stands at 29 hectares of which 15.8 hectares are under production ponds. The latter is scheduled to produce two harvests in 1985.

At Bath, production of food fish (Tilapia) during 1984 was 7,601 kilograms harvested from 6.5 hectares. This was 9,309 kilograms less than production realised from 11.3 hectares in 1983. The reduction in acreage and yield was largely attributed to unavailability of brood stock through the unauthorised removal of fish and the poor quality of feed. Recovery of fish averaged 62%.

At Uitvlugt 1.3 hectares were harvested yielding 2,182 kilograms of Tilapia. Recovery of fish has been particularly good at this location exceeding 90%. This high recovery has perhaps been influenced by the closer security at this site. At Ogle 1.6 hectares of ponds have been completed and stocked with Tilapia nilotica and Hassar for harvesting in 1985. Progress on ponds at Enmore has been affected by unfavourable weather.

The Grass Carp continues to show good growth and should attain sexual maturity by June 1985 when induced spawning will be attempted.

Legumes and other grains: Legume production at Blairmont continued to be affected by unfavourable weather and inefficient field equipment. However, with the acquisition of two new mechanical planters, production in 1985 is expected to be given a boost. In 1984 we produced 10,953 lbs Minica, 300 lbs Urid, 5,053 lbs Mung and a small quantity of Sorghum. Commercial cultivation of Corn has been curtained, production now being limited to not more than 4 ha. for use in rat bait formulations. The acreage previously planted in Corn is now being substituted by rice.

FACTORIES

Factory performance for the year showed overall, general improvement in 1984. Encouraging results were realised in mechanical downtime, throughput and reduced mill extraction. These areas in particular received most of the available mechanical spares input and were also closely monitored for efficient performance. Mechanical downtime was 13.18% of net grinding time and was 2.17% less than 1983. Throughput increased from 96.50 to 97.91, while the level of reduced mill extraction rose from 92.61 to 93.34%.

Unfortunately, the second crop was plagued throughout by unseasonal rains, which reduced factory uitilisation to 59.90% for the year. The mean number of grinding hours per week was also shortened to 98.

Process Control: The wet conditions experienced in the 2nd Crop, made harvesting operations difficult. As a result, canes with excessive extraneous matter reached the factories. This adversely affected the process and sugar recovery. A low Boiling House Efficiency was therefore, realised. The overall tons cane per ton sugar ratio (TC/TS) for the year increased to 14.13 compared with 13.95 for 1983.

Quality Control: Great emphasis was placed in this area of operation in the drive to improve sugar quality and avoid economic penalties. Special attention was placed on the quality parameters of "colour" and "ash" which are more susceptible to penalties. The effects proved successful and our overseas buyers were satisfied with the product.

Development and Engineering Services: Spares were selected on a priority basis. Attention to mechanical details, maintenance and operations practices continued in order to achieve satisfactory benefits from the necessary inputs. However, there continued to be a high turn-over of rank and file skills and senior staff members.

The Equipment Conservation Centre and the individual factory workshops, made valuable contributions to the re-building and supplying of spares to the factories. This no doubt has also contributed to the improved mechanical performance of the plants.

Prime Minister Desmond Hoyte at a National Exhibition viewing a wide range of factory spares rehabilitated by Guysuco workshops.

Energy Conservation: Systematic procedure for controlling the use of petroleum products continued. However, the inclement weather and consequential out-of-cane periods, increased our dependance on diesel sets.

A survey on our power house equipment identified the need for upgrading and/or replacing inefficient energy producing units.

During the wet periods of intermittent grinding, a bagasse shortage was experienced on most estates. Albion estate, where a bagasse baler is installed, was able to supply baled bagasse to sister estates, thus minimising our dependence on wood fuel, which had become difficult to obtain.

MARKETING

Sugar Marketing: A number of developments made 1984 an extremely difficult year in sugar marketing.

The I.S.A. negotiating process broke down, leaving a free-for-all in the trading of free market sugar. World prices sunk to one of the lowest levels, in real terms, ever known – and, with huge stocks overhanging the market, there is little prospect of immediate relief.

The EEC price was frozen. Further, Sterling weakened, leading to a 10% loss in value in our main market.

The U.S. market again contracted sharply, continuing the inexorable trend of the last 10 years.

Despite such circumstances, 1984 was not a wholly depressing year for sugar marketing in Guysuco:

Increases in the local price of sugar on February 2 and December 14 meant that by the end of the year sugar was being sold for the first time in the local market at a price covering the cost of production.

Sugar losses, which had become serious in 1983, were significantly reduced in 1984.

There was an improvement in the overall quality of sugar being produced.

Astute marketing arrangements and scheduling of ships in close consultation with our agents achieved a highly favourable "market mix" in 1984. As a result Guysuco sold only 5,400 tons in 1984 in the very depressed world market.

We met all our quota commitments and in addition took up our share of EEC quota short-

The Markets:
Production of 241,861 tons was marketed as follows:

1984 SUGAR MARKETS

	Long Tons	Per Ton (G$)	Revenue (G$000)
Local Sales			
DC	30,110.87	734.19	22,107
CW	4,620.25	995.22	4,598
	34,731.12	768.91	26,705
Caricom			
Antigua	50.00	1,085.50	54
E.E.C.			
Raws	163,943.55	1,262.06	206,906
Specials	1,749.39	1,484.52	2,597
	165,692.94	1,264.52	209,503
Refiners' performance bonus			992

U.S.A.	34,214.90	1,732.05	52,262
CANADA	5,413.12	436.97	2,365
LOSSES	1,758.92	—	—
Overrealisation on 1983 shipments	—	—	196
TOTAL	241,861	1,236.28	299,008

Home Markets: There were two price increases in 1984: on February 2 the producer's price for DC sugar was raised from $260.85 to $672.00 per ton and for CW sugar from $560.00 to $963.20 per ton. This increase reduced the subsidy to the consumer from $39.1 million in 1983 to $31.3 million in 1984.

On December 14, the DC price was raised further to $1,411.20 per ton and the CW price to $1,702.40 per ton.

The price increases had the effect of reducing consumption from 36,266 tons in 1983 to 34,731 tons in 1984, thus releasing additional sugar for export.

On the basis of the improved domestic price, Guysuco is investigating the potential of packaging sugar more attractively for sale on the local market and for the use of hotels, airlines, restaurants, and other users of sugar in sachets both here and in Caricom.

Caricom: We sold only 50 tons of sugar, to Antigua, in the Caricom market in 1984. Both the LDC's and Trinidad & Tobago, to whom we had sold, 6,449 tons in 1983, obtained their requirements at very depressed world market prices. We would like to do much more business in Caricom. In particular, we are eager to supply Trinidad & Tobago with at least part of the sugar she now needs to import annually. However, it does not seem reasonable to sell our main foreign exchange earner to our Caricom trading partners at no more than bare world price when this has fallen to a level which hardly covers one third our cost of production. We will continue to make every effort to conclude mutually satisfactory agreements with our Caricom trading partners.

E.E.C.: Our sugar quota of 165,000 tons in the EEC, established in the Sugar Protocol of the Lome Convention, continues to be the bedrock of our marketing. In 1984 no less than 80% of our sugar exports went to the E.E.C. at a price which was nearly three times higher than what we received for selling to Canada in the world market. It is a graphic example of the importance of the E.E.C. sugar quota to Guyana.

We have in common with other A.C.P. countries a series of outstanding problems in connection with sugar exports to the E.E.C. It is our intention to work in close collaboration with our allies on the resolution of these problems.

Portugal: Portugal will join the E.E.C. in 1986. We must ensure as far as possible that the new outlet which will become available when Portugal joins is reserved for ACP cane sugar — over and above the existing 1.3 million tons — and that Caricom countries get a fair share.

U.S. Market: In 1984/85 Guyana received an annual sugar quota in the U.S. of 27,214 tons. This compares with 30,480 tons in 1983/84 and should also be compared with Guyana's quota of 91,000 tons in 1974 when quotas were last discontinued.

This exphasises the extent to which access to our second most important market has been reduced. The price we obtain for this quota sugar is a remunerative one, but in the long run this will not be of much value if the outlet continues to contract.

World Market: In 1984 trade in sugar on the open market became more chaotic and reached lower price levels than ever. Consumption stagnated; developed countries continued to pursue protectionist measures; alternative sweeteners continue to encroach; supply continued to exceed demand; and negotiations for a new ISA broke down. As a result the London Daily Price which began 1984 at US $178 per ton had sunk to US $94 by the end of the year. In real terms this represents as low a price as the sugar market.

has experienced this century. Prospects for much improvement in the near future are very gloomy.

A new International Sugar Agreement negotiated on a realistic basis, with the E.E.C. a participating member as they were not before, might have brought much more stability into the sugar market. But the large exporters could not agree among themselves and negotiations for a new Agreement failed. Now only an ISA with administrative clauses will continue. Guyana has joined this Agreement and will play a full part in trying to establish in this forum the basis for an effective new Agreement in the future.

Molasses: The average price received for molasses in 1984 was 28c per gallon compared with 13c per gallon in 1982 and 33c per gallon in 1983.

The Distilleries utilised 7.4 million gallons of molasses in 1984 compared with 6.3 million gallons in 1982 and 7.2 million gallons in 1983. This left 13.4 million gallons for export in 1984, compared with 16.3 million gallons in 1982 and 15.7 million gallons in 1983.

ESTABLISHMENT:

The retention of managerial and technical personnel including craftsmen continued to be a significant problem area.

The Corporation was also faced with the difficulty of resourcing from both within and outside the organisation.

Because of the cumulative effects of a relatively high turnover rate, particularly at the managerial and technical levels, a significant part of the current establishment consists of persons with under three years experience in substantive positions.

The strategy for replacement and manpower development of necessity continued to be through internal endeavours. In this regard, great reliance was placed on the mechanism of Succession Planning, development through appropriate education and training methodologies including job rotation, and on the job training.

The exercise of monitoring the establishment particularly with the view to holding numbers in various categories to optimum levels has met with much success since its implementation in 1982. Through this monitoring device better use was made of manpower resources.

Education and Training: In the area of Education and Training emphasis was placed on both the technical and managerial levels. We continued with the traditional courses for engineers, foremen and craftsmen but in view of the consistent drain, particularly among the skilled categories, endeavours were made to accelerate training at the craft level.

Training of Sugar Boilers – a scarce resource continued as an on-going programme.

A major innovation during 1984 was the recruitment of craft graduates from the Guyana Technical Institute (GTI) and the New Amsterdam Technical Institute (NATI) into the Guysuco Apprenticeship Scheme.

Our Cadetship Scheme continued to be af-

Another batch of graduating apprentices from the GTC/PM, prepared for the future with skill and confidence.

fected by foreign exchange problems. However, the University of Guyana and the Guyana School of Agriculture have been able to an appreciable extent to fill the void.

Specialist training courses abroad have been facilitated through the Ministry of Education, Training Division, but much more resourcing continued to be required for overseas exposure, particularly for highly specialised personnel in such areas as sugar agronomy, industrial chemistry, aqua-culture and entomology.

The Corporation's policy relating to vacation attachments continued and a number of students from secondary and post-secondary educational institutions benefited.

Regrading and reclassification continued as an essential mechanism in resourcing and developing skills.

Occupational Health and Safety: In the area of Occupational Health and Safety, the department continued to ensure that dispensaries and the Ogle Diagnostic Centre met the traditional needs of all levels of workers. Regular inspections of factories, field workshops and other Guysuco establishments were carried out resulting in continued growing consciousness of managerial and non-managerial workers concerning environmental health and safety.

Efforts to improve the physical condition of and public health practices in canteens were intensified during the year.

With regard to Good House-keeping for Factories and Field Workshops, the single competition was seperated in 1984 so that factories competed as one homogenous group and Field Workshops as another group.

Albion emerged the winner of the Factories Competition while Blairmont won the first place in the Field Workshops Competition.

There was a significant decrease in the number of man hours worked in factories and an increase in the number of loss time accidents.

The frequency rate for field however remained approximately the same as 1983.

Sports: The Sports section was strengthened by the appointment of two Regional Sports Officers.

Although the inclement weather had forced the postponement of some outdoor activities, most of the inter-departmental games were completed in accordance with the schedules.

Guysuco athletes/sportsmen performed creditably at both the national and international levels. Particularly in regard to volleyball, seven Guysuco players were called to practise and three were selected on the Guyana team in the Caricom Volleyball Championships.

Up-right cycling, a new feature was introduced in 1984.

A significant feature planned in 1984 but materialised in 1985 was the 'Joe Solomon Cricket Competition'. In this regard, C. Czarnikow Inc., presented a trophy worthy of the contributions by an outstanding international cricketer who devoted over twenty years of his working life to the development of sports in the Sugar Industry and the Nation.

Promoting sports is an important consideration in the Corporation: This is the beautiful Joe Solomon Trophy in honour of one of Guyana's outstanding sportsmen and a former Sports Officer with the Corporation.

Communication: The Corporation continued to use the established media for both internal and external communication.

Internally, briefing sessions, weekly news bulletins, information/pre-crop sessions, notice boards including Honours Roll and production boards were used while the national press, Guysuco's 'Sugar News' and the special weekly radio programme, along with exhibitions were used for external communication.

The Corporation actively participated in Mashramani and May Day celebrations. Efforts in the cultural areas, particularly Drama,continued.

Worker Participation: In the area of Worker Participation, 1984 was another successful year. Participation by non-managerial workers at both the estate and regional levels was of a high standard.

Industrial Relations were relatively stable during 1984; 134,177 Mandays were lost in 1984 compared with 146,936 Mandays lost in 1983, through work stoppages and strikes. The result was a lost in earnings of $2.7M compared with $3.1M in 1982. While there has been a reduction of 12,759 Mandays lost in 1984, it was most disheartening that Mandays lost from non-industrial issues increased from 42,107 in 1983 to 58,214 in 1984, an increase of 16,107. Earnings lost from such stoppages was $1.1M. This new feature of "Wild Cat" protest strikes in the past two years has affected the Industry's work programmes and plans .

In accordance with the President's announcement, workers in the Industry were awarded a 10% wage increase for 1984. The new rates of pay were implemented and retroactive payments made on 1985-01-04. The increased wages added a further $15M per annum in benefits to workers.

Sugar workers earned a total of 42 days' pay under the Corporation's Monthly Production Incentive Scheme. No agreement was reached on Annual Production Incentive at the end of December 1984, notwithstanding Conciliation at the Ministry of Manpower and Co-operatives.

In keeping with the Industry's projected target of 280,000 tons, the Industry awarded 2 days' pay for a production of 241,851 tons. However, Rose Hall, based on their individual performance, was awarded 6 days' pay.

Honours Roll Scheme: The Honours Roll Scheme continued to satisfy the objectives set out. Rose Hall Estate was adjudged the Champion Estate for 1984 while Enmore Estate was the runner-up.

Champion and most productive workers were selected by Workers' Councils and presentations took place at the special Honours Roll ceremony at Rose Hall Estate on February 6, 1985.

Rocket Carpen
Skeldon

Iyasammy Monian
Albion

Ramdatt Jailall
Rose Hall

Davis Hansraj
Blairmont

Rabinauth
Enmore

Hardat
L.B.I.

Seepersaud
Diamond

Cecil Debidyal
Wales

Asmat Khan
Leonora

Kevin Accra
Uitvlugt

REPORT OF THE AUDITORS

TO THE MEMBERS OF
GUYANA SUGAR CORPORATION LIMITED

We have examined the accounts set out on pages 22 to 32 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 disclosed in Note 6 on Page 30. 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 1984 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
31 January, 1985

STATEMENT OF NET DEFICIT

For the year ended 31 December, 1984

	Notes		1983
		G$000	G$000
SALES	1	307,405	231,140
NET DEFICIT	2	(102,334)	(119,815)
VALUATION SURPLUS ON DISPOSAL OF FIXED ASSETS TRANSFERRED FROM RESERVES		179	103
NET DEFICIT FOR THE YEAR		(102,155)	(119,712)

STATEMENT OF RESERVES

	Total	Operating	Sugar Industry Rehabilitation Fund	Valuation
	G$000	G$000	G$000	G$000
Balance at 1 January 1984	(239,918)	(305,401)	16,323	49,160
Net deficit for the year	(102,155)	(102,155)	—	—
Receipts from Sugar Industry Rehabilitation Fund	2,913	—	2,913	—
Valuation surplus on disposal of fixed assets transferred to income statement	(179)	—	—	(179)
Balance at 31 December 1984	(339,339)	(407,556)	19,236	48,981

BALANCE SHEET

At 31 December, 1984

	Note	G$000	1983 G$000
SHARE CAPITAL			
AUTHORISED			
300,000,000 Ordinary shares of $1.00 each		300,000	72,000
ISSUED AND FULLY PAID			
273,536,775 Ordinaryshares of $1.00 each	3	273,537	48,537
DEPOSIT ON SHARES	3	—	225,000
RESERVES		(339,339)	(239,918)
SHAREHOLDERS' FUNDS		(65,802)	33,619
DEFERRED LIABILITIES	4	15,163	15,163
NON CURRENT LOANS	5(a)	145,344	3,007
		94,705	51,789
REPRESENTED BY:			
FIXED ASSETS	6	136,363	129,872
INVESTMENTS	7	265	265
DEFERRED RECEIVABLES	8	3,763	4,160
DEFERRED CULTIVATION COSTS		187	1,072
NET CURRENT LIABILITIES	9	(45,873)	(83,580)
		94,705	51,789

Directors:

E.O.S. Hanoman

H.B. Davis

STATEMENT OF SOURCE AND APPLICATION OF FUNDS

For the year ended 31 December, 1984

				1983
	G$000	G$000	G$000	G$000
SOURCE OF FUNDS				
Net deficit		(102,334)		(119,815)
Adjustments for items not involving the movement of funds				
Depreciation		12,845		13,714
Provision for ex-gratia pensions		4,745		4,113
Unrealised loss/(gain) on exchange		4,390		(1,007)
FUNDS USED IN OPERATIONS		(80,354)		(102,955)
FUNDS FROM OTHER SOURCES				
Deferred receivables - employees loans		(8)		6
Loans received		145,666		1,855
Refund of ex-gratia pensions		707		770
Deferred cultivation costs		885		—
Receipts from the Sugar Industry Rehabilitation Fund		2,913		1,596
Disposal of fixed assets		85		2,835
		69,894		(95,933)
APPLICATION OF FUNDS				
Ex-gratia pensions paid		5,047		4,646
Purchase of fixed assets		19,421		9,448
Loan repayments		1,346		3,519
Deferred cultivation costs		—		266
Deferred liabilities		—		3,136
		25,814		21,015
INCREASE/(DECREASE) IN WORKING CAPITAL		44,080		(116,948)
REPRESENTED BY:				
Increase in inventories and unsold produce		26,802		9,654
Increase in debtors		10,427		11,574
Increase in creditors		(45,892)		(12,005)
Increase in external payments deposits		4,411		7,427
		(4,252)		16,650
MOVEMENT IN NET LIQUID FUNDS				
Cash on hand and at bank	394		(15)	
Bank Overdraft	47,938		(133,583)	
		48,332		(133,598)
		44,080		(116,948)

SUMMARY OF ACCOUNTING POLICIES

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 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.

SUMMARY OF ACCOUNTING POLICIES Continued

5. RESEARCH AND DEVELOPMENT

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

6. 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 are translated at the rates of exchange ruling at that date and resulting gains and losses are recognised in the income statement.

7. 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.

8. PENSION SCHEME

(i) 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 are 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

1. SALES

	G$000	1983 G$000
Sugar and Molasses	305,663	229,480
Other Crops	1,742	1,660
	307,405	231,140
Export Sales Levy		
Amount payable (provisional)	155,286	103,240
Remitted by Government	(155,286)	(103,240)
	—	—
	307,405	231,140

Under Section 6(1) of the Financial Administration and Audit Act, the Government of Guyana has agreed to remit G$155,286,323 (1983 – G$103,239,619) of the Sugar Levy payable pending amendment of the Sugar Levy Act 1974.

2. NET DEFICIT

	G$000	1983 G$000
2. NET DEFICIT	(102,334)	(119,815)
This amount is determined after the following items have been dealt with:–		
Depreciation	12,845	13,714
Audit fees and expenses	170	158
Loss/(gain) on exchange	5,441	(920)
Interest expense – net	39,216	21,559
Property tax	—	189
Research and development	1,187	1,172
*Provision for ex-gratia pensions	4,745	4,113

*The Company makes payments of ex-gratia pensions which are recoverable from the Sugar Industry Price Stabilisation Fund. The accounts of the Price Stabilisation Fund revealed that the amount recoverable from the Fund was greater than the balance in the Fund. A provision was therefore made for the difference.

The Provision for 1984 represents the difference between ex-gratia pensions recoverable and contributions paid to the Fund.

NOTES ON THE ACCOUNTS Continued

		1983
	G$000	G$000
3. DEPOSIT ON SHARES	–	225,000

This represents amounts paid by the Government of Guyana for the purchase of further shares in the Company.

During the year, this was transferred to share capital.

		1983
	G$000	G$000
4. DEFERRED LIABILITIES		
Guyana Agricultural Products Corporation	1,597	1,597
Demerara Sugar Company Limited	13,566	13,566
	15,163	15,163

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

		1983
	G$000	G$000
5. LOANS		
(a) Non-current – repayable after one year		
(i) Lloyds Bank Limited Loan II. A Sterling loan repayable in semi-annual instalments of £170,000 ending in 1986. Interest is at the rate of 7.25% per annum on the outstanding balance.	8,542	7,518
(ii) Government of Guyana The loan is to be repaid over seven (7) years with a three (3) year moratorium on the re-payments of principal sum. Repayments of principal shall be made in ten(10) equal in-stalments commencing on 30 June 1987 and thereafter at six (6) monthly intervals. Interest is at the rate of 14% per annum.	143,636	–
Less:		
Amount repayable within one year	6,834	4,511
	145,344	3,007

NOTES ON THE ACCOUNTS Continued

		1983
5. LOANS (cont'd).	G$000	G$000
(b) CURRENT – REPAYABLE WITHIN ONE YEAR		
(i) Tennant Guaranty Limited		
Loan II. A U.S. dollar loan repayable in December 1982. Interest is payable at the rate of 7.25% per annum and an additional 1.5% per month on amounts due but unpaid.	2,444	1,725
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 and an additional 1.5% per month on amounts due but unpaid.	7,723	5,451
(ii) Chase Bank International – Chicago		
A U.S. dollar loan repayable in equal half yearly instalments ending in April 1983. Interest is payable at the rate of 9% per annum and an additional 1% per annum on amounts due but unpaid.	581	456
(iii) Lloyds Bank Limited		
Loan I. A Sterling loan repayable in equal half yearly instalments ending in October 1983. Interest is payable at the rate of 7.5% per annum on the outstanding balance.	1,611	1,418
(iv) Guyana Co-operative Agricultural and Industrial Development Bank.	–	103
(v) Local Insurance Companies and others.	1,582	738
(vi) Loans repayable within one year (per (a) above).	6,834	4,511
	20,775	14,402

All external loans are guaranteed by the Government of Guyana.

NOTES ON THE ACCOUNTS Continued

6. FIXED ASSETS

	Total	LAND AND BUILDINGS Freehold	LAND AND BUILDINGS Leasehold	LAND AND BUILDINGS State Lands	LAND EXPANSION COSTS	PLANT MACHINERY & EQUIPMENT
	G$000	G$000	G$000	G$000	G$000	G$000
COST OR VALUATION						
At 1 January 1984	215,213	37,810	2,635	18,799	10,465	145,504
Additions	19,421	344	–	–	–	19,077
Disposals	(909)	(36)	–	–	–	(873)
At 31 December 1984	233,725	38,118	2,635	18,799	10,465	163,708
Comprising:						
Valuation	109,607	32,575	2,549	18,799	6,553	49,131
Cost	124,118	5,543	86	–	3,912	114,577
	233,725	38,118	2,635	18,799	10,465	163,708
DEPRECIATION						
At 1 January 1984	85,341	2,240	760	–	6,397	75,944
Provision for the year	12,845	354	87	–	683	11,721
Retirements and disposals	(824)	(6)	–	–	–	(818)
AT 31 DECEMBER 1984	97,362	2,588	847	–	7,080	86,847
NET BOOK VALUES:						
AT 31 DECEMBER 1984	136,363	35,530	1,788	18,799	3,385	76,861
AT 31 DECEMBER 1983	129,872	35,570	1,875	18,799	4,068	69,560

NOTES ON THE ACCOUNTS Continued

	G$000	1983 G$000
7. INVESTMENTS		
ASSOCIATES		
Lochaber Limited –		
1,280 Ordinary shares of $20.00 each	23	23
Cane Farming Development Corporation Limited –		
18,500 'B' Ordinary shares of $5.00 each (This Company is in liquidation and provision has been made for possible losses arising therefrom).	31	31
	54	54
OTHER		
Livestock Development Company Limited –		
55,000 Ordinary shares of $1.00 each	50	50
Government of Guyana 7% equated annuity debentures repayable half yearly	1	1
Government of Guyana Defence Bonds	150	150
Emile Woolf College of Accountancy (Guyana) Limited –		
10,000 Ordinary shares of $1.00 each	10	10
	211	211
	265	265
8. DEFERRED RECEIVABLES		
*Sugar Industry Price Stabilisation Fund –		
Ex-gratia pensions less provision	3,745	4,150
Loans to employees	18	10
	3,763	4,160

*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

9. NET CURRENT LIABILITIES

	G$000	1983 G$000
Inventories	121,242	98,528
Unsold Produce	26,532	22,444
Debtors	44,553	34,126
*External payments deposits	12,096	7,685
Cash on hand and at bank	644	250
	205,067	163,033
Less:		
Creditors	87,379	41,487
Loans repayable within one year (Note 5 (b))	20,775	14,402
Bank Overdraft	142,093	190,031
Taxation	693	693
	250,940	246,613
	(45,873)	(83,580)

*Represent monies deposited with the commercial banks pending approval from the Central Bank to remit to overseas creditors.

10. FUTURE CAPITAL EXPENDITURE

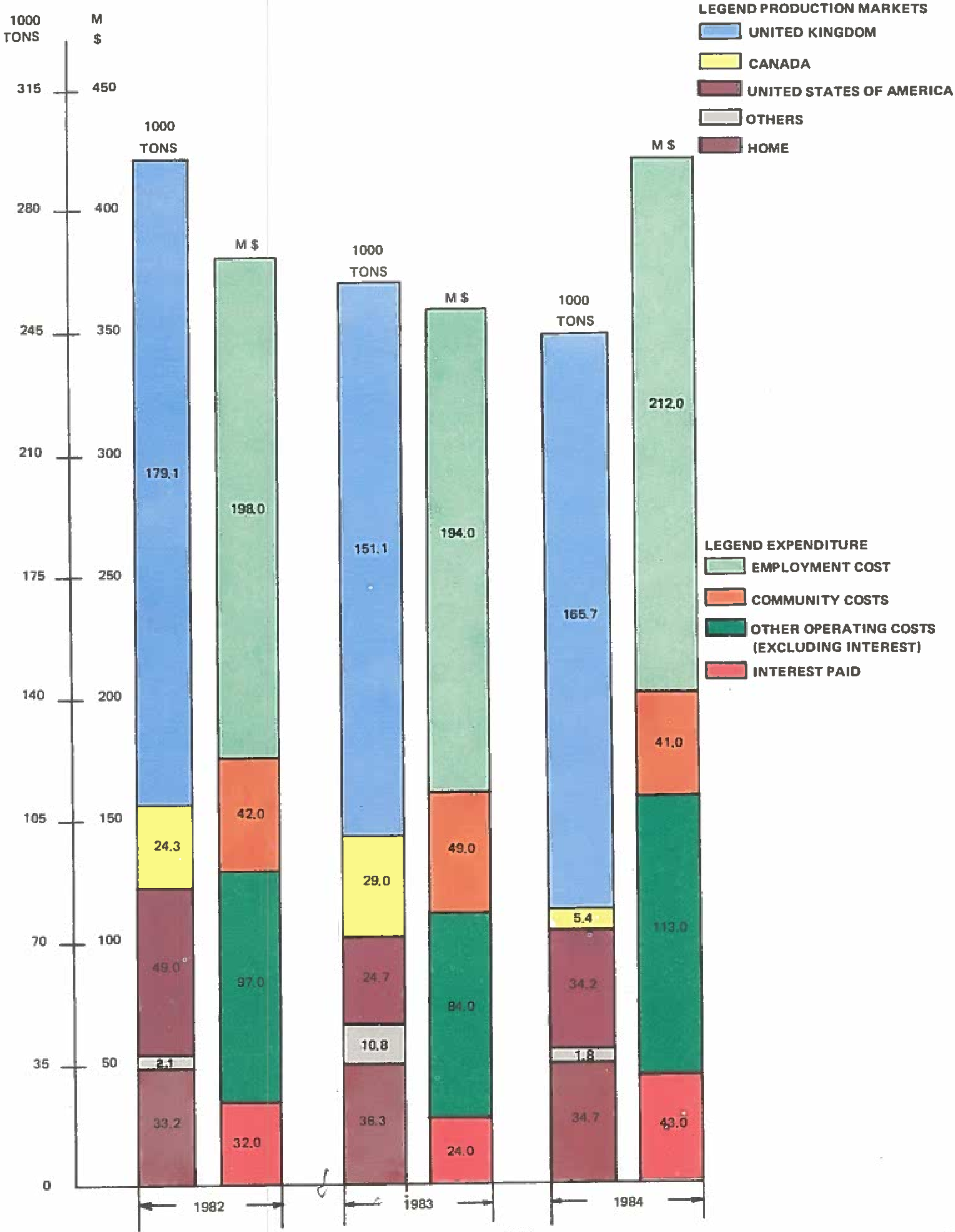
	G$000	1983 G$000
Expenditure authorised by the Directors but not contracted	23,100	80,900

STATEMENT OF EMPLOYMENT AND COMMUNITY COSTS

	1982	1983	1984
	$M	$M	$M
EMPLOYMENT COSTS			
Direct Employee Benefits			
Wages and Salaries	156.3	158.1	174.4
Incentive Payments	12.6	6.2	4.7
Other Employee Benefits	20.4	21.4	22.8
Labour Transport Costs	8.3	8.6	9.9
	197.6	194.3	211.8
COMMUNITY COSTS			
Central Government Taxation and Levies	1.6	1.8	1.9
Local Government Rates and Taxes	1.0	1.0	1.0
Local Sugar Sales Subsidy	32.2	39.1	31.3
Sugar Industry Special Funds	6.7	5.6	5.4
Community Services	0.9	1.0	1.3
	42.4	48.5	40.9
TOTAL	240.0	242.8	252.7
NUMBER OF EMPLOYEES	28,077	28,403	28,104
TONS SUGAR PRODUCED	287,725	251,870	241,861

GUYANA SUGAR CORPORATION LIMITED

PRODUCTION AND EXPENDITURE
1982 - 1984



Auditors	Thomas, Stoll, Dias & Co. Member Firm Touche Ross International 5 America Street Georgetown.
Bankers	The Guyana National Co-operative Bank The Royal Bank of Canada Barclays Bank International Limited Chase Manhattan Bank, N.A.
Marketing Agents	Bookers Sugar Company Limited 115/121 Tooley Street, London, SE1 2HZ England.
Solicitors	Clarke and Martin 7 Brickdam & Manget Place Georgetown.