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ANNUAL REPORT, ACCOUNTS AND BALANCE SHEET 1977



**GUYANA
AGRICULTURAL CO-OPERATIVE
DEVELOPMENT BANK**

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**ANNUAL REPORT
& ACCOUNTS
1977**



REPORT OF THE CHAIRMAN

During 1977 the Guyana Agricultural Co-operative Development Bank approved loans totalling \$31.6M, a sum which is greater than the cumulative approvals for the period 1973 - 1976. This provides strong evidence of the Bank's growing role in the development of Agriculture in Guyana.

To enable the fulfilment of such a heavy lending programme the Bank had recourse to an \$18M loan contracted between the Government of Guyana and the Canadian International Development Agency (CIDA) for the development of the sawmilling and logging sub-sector of the forestry sector. In addition the Bank itself borrowed directly from the Caribbean Development Bank (CDB) sum of \$10M for onlending to the Agricultural Sector.

The Bank's geographic distribution of loans emphasises development of Agriculture in all the regions. In this connection it should be noted that since its inception some 36% of total applications approved were in respect of the Essequibo Region, some 34% in respect of Demerara and West Coast Berbice, some 25% in respect of East Berbice with

the remainder distributed among the North West District, Bartica and the Interior and the Rupununi.

There is an additional point which needs to be stressed in the present financial circumstances of the economy and that is that prompt and adequate repayments in respect of loans made are essential to the Bank's operations on two grounds. The first is that the Bank's viability must be demonstrated to the International lending Institutions if the latter are to be encouraged to lend for the development of the Agricultural Sector in Guyana. Beyond this, however, repayments by borrowers form an increasingly important source from which the Bank could onlend to other potential borrowers and thereby promote faster growth in the Agricultural Sector.

On behalf of the Board of Directors, I wish to place on record our sincere thanks to the staff for their hard work and dedication during 1977 and we look forward to their continued co-operation in the year ahead.

Winston Murray
CHAIRMAN



REPORT OF THE MANAGING DIRECTOR ,

1977 is the Fifth Year of existence of the Guyana Agricultural Co-operative Development Bank and is a year where unstable development took place.

It was in February of 1977 that we saw the establishment of the Co-operative Finance Administration. The function of the Administration is to exercise supervision and control over the Financial Institutions established under the Co-operative Financial Institutions Act 1976.

1977 also saw the Bank expanding further in the field of agricultural credit.

AGRICULTURAL CREDIT PERFORMANCE DURING 1977

GENERAL REVIEW:

In 1977, the Bank granted loans totalling \$31.6 Mn. to 958 applicants compared with \$7.7 Mn. to 1,341 applicants in 1976. The 1977 loan amount indicated a percentage increase of 310 over the 1976 loan portfolio. The cumulative total approved since the Bank began operations amounted to \$56.4 Mn.

Of the \$31.6 Mn. approved in 1977, \$3.2 Mn. was committed to arable and tree crops,

representing an increase of \$0.4 Mn. or 14% over the 1976 figure of \$2.8 Mn. Investment in the livestock sector, primarily for beef and dairy, amounted to \$7.6 Mn. compared with \$2.1 Mn. in 1976, a rise of \$5.5 Mn. or 261%. Funds committed to the forestry sector, mainly for the rehabilitation of the sawmilling and logging sphere, totalled \$20.4 Mn. as against \$1.0 Mn. in 1976 an increase of \$19.4 Mn. Investment in the fishing and shrimping sub-sector declined by \$0.3 Mn. from \$0.7 Mn. in 1976 to \$0.4 Mn. in 1977. Only one loan was granted for deep sea fishing because of lack of interest by applicants caused by the high operational costs in trawling for shrimps.

Seven Co-operative Societies had loans approved in 1977 amounting to \$3.0 Mn. of which \$0.7 Mn. was to be used for logging; \$1.6 Mn. for dairy; \$0.1 Mn. for beef production; \$0.1 Mn. for rice harvesting and \$0.5 Mn. for mixed crops and livestock.

Funds disbursed during the year totalled \$7.3 Mn. (including Lines of Credit) the highest level since 1973; an increase of \$1.5 Mn. over the 1976 figure of \$5.8 Mn. In addition to \$7.3 Mn. disbursed, a further \$18.0 Mn had been fully committed to purchase machinery and equipment to be used in the forestry sector.

Of the total funds disbursed \$2.0 Mn. was expended on crop development of which \$0.3 Mn.

was used for drainage and irrigation and land clearing operations and \$1.8 Mn. to provide inputs viz. planting materials, fertilisers, insecticides, small implements and tools, replacement of tractors, mainly in the rice industry and providing steer to small rice farmers.

A total of \$4.0 Mn. was spent in the livestock sector of which \$2.4 Mn. was used to provide pig and broiler feeds. Development of lands, pasture improvement and fencing accounted for \$1.0 Mn. and \$0.6 Mn. was spent on acquiring stocks, pen construction and purchasing equipment.

The fishing sector accounted for \$0.3 Mn. which was utilised to equip fishing boats with engines, constructing new boats and providing fishing gears.

In the forestry sector \$0.9 Mn. was used to replace out-moded machinery and equipment.

In 1977, the Bank was appointed trustee of the International Development Association (World Bank) Fund to be invested for development of the beef and dairy industry. The Bank was successful in obtaining a second loan of \$10. Mn. from the Caribbean Development Bank to be used mainly in the agriculture sector and \$18.0 Mn. from the Canadian International Development Agency to be invested in the forestry sector. Negotiations were concluded for a \$2.0 Mn. loan from the European Economic Community for small to medium term lending in agriculture, while discussions had started with the Inter-American Development Bank for a \$10.0 Mn. loan for lending in the Food Crop sub-sector.

Overall agricultural performance in 1977 was much better in comparison with 1976. The Bank's collection rate improved to \$4.3 Mn. compared with \$1.9 Mn. in 1976. Crops accounted for \$1.3 Mn; livestock \$1.9 Mn; fishing \$0.5 Mn. and sawmilling/logging \$0.6 Mn.

A review of the agricultural performance during the year revealed that favourable weather conditions prevailed and farmers took advantage of the opportunity to cultivate their crops and attend to livestock. Substantial increases were recorded when compared with 1976 for most crops with the exception of sugar which showed a fall of about 91,000 tons from the 1976 figure of 332,460 tons. The reduced production was due mainly to labour problems during the last quarter of the year.

Nevertheless, private cane farmers' production showed an increase from 34,744 tons in 1976 to 35,025 tons in 1977.

With the exception of pork, production of other livestock products was less favourable than in 1976. Hatching eggs and chick supplies were curtailed mainly through unfavourable conditions in the U.S.A. With the record production of pork, marketing and distribution problems were evident

throughout the year. Fish production improved, but shrimp output remained at about the same level when compared with 1976.

The Bank continued its programme of building up an operational framework by which more farmers could be reached and during the year opened a new Farm Credit Office at Wauna in the North West District, and temporary offices at Mabaruma and Kumaka bringing the overall total in the country to twelve. In addition, increased units for land and water transport were added to the Bank's fleet.

Apart from the coastland, regular visits were made to appraise and supervise loans in the Rupununi, interior points and the Pomeroun, Demerara, Berbice, Canje, Mahaica, Mahaicony and Abary Rivers. These services were expensive in terms of both the material and human resources.

During the year the Bank continued to operate within certain constraints, prominent among which were:

1. The integrated approach among relevant agencies had showed some signs of improvement, but was considerably below the level expected for the Bank to play a more meaningful role in providing agricultural credit.
2. The non-availability of some essential inputs at stores in Georgetown and at production locations, not to mention the increased prices, was another factor which had severely curtailed the Bank's activities. In those circumstances the Bank had to choose between suspending disbursements or, depending on the situation, staggering disbursements thus creating further bottlenecks in its operations.
3. The operational costs for providing services to small loans, especially the crop credit and pig feed credit schemes had increased significantly.
4. The meagre difference between rates of interest on funds borrowed by the Bank and the lending rates to farmers had affected operational decisions.
5. Non-availability of technical staff and increased staff turn-over.
6. There continued to be a lack of appreciation by some farmers on the role of the Bank. An analysis, on the reasons for loan withdrawal/rejection in 1977, revealed that there was a positive association between lack of interest by applicants and withdrawal/rejection of loan applications.

7. Funds for providing loans under the Crop Credit Programme, the Pig Feed Credit Scheme and most other loans less than \$5,000. were obtained entirely from surpluses on investments from other sector loans, since there was a restriction on the use of foreign loan funds for those purposes. An evaluation on the cost for servicing and returns from those loans showed a deficit of \$819,000 in 1977.

LOAN PROGRAMME

As from July, 1977, a new lending procedure was introduced by the Bank under its normal loan programme with the objective of placing additional emphasis on project formulation and feasibility tests, before an appraisal visit was made.

Consequently, it was envisaged, that the ratio of applications approved in relation to the amount processed would be higher than that obtained in the past. The system would also minimise on the operational costs of loan appraisals and allow for speeding up and providing timely credit to farmers.

In 1977, a significant proportion of the loan applications processed, because of the nature and magnitude, was considered more intricate and complex and needed indepth appraisal techniques. Hence, although less applications were approved when compared with 1976, the volume of funds was significantly higher. Table 1 provides details on the loan situation for the period 1973 - 1977.

TABLE 1: LOAN APPLICATIONS RECEIVED, PROCESSED AND APPROVED 1973 - 1977

I T E M S	1973	1974	1975	1976	1977	TOTAL
						1973 - 1977
No. Applications Received	1,304	1,317	1,603	2,257	1,252	7,733
No. Applications Processed	351	1,380	1,359	2,641	1,573	7,304
No. Applications Approved	216	501	587	1,341	958	3,603
Amt. Approved \$Mn.	3.6	7.5	6.0	7.7	31.6	56.4
Amt. D'Bursed \$Mn.	1.8	4.5	5.1	5.8	7.3	24.5

A further \$18.0 Mn. was committed on orders

The following table shows the distribution of loan applications by regions:-

TABLE 2: DISTRIBUTION OF LOAN APPLICATIONS BY REGIONS 1973 - 1977

REGIONS	Applications Received		Applications Rejected		Applications Approved		Pending as at 31.12.77	
	No.	\$	NO.	\$	No.	\$	No.	\$
	NORTH WEST DIST.	277	1.8	88	0.7	124	0.9	65
ESSEQUIBO	2,713	21.6	1,242	14.3	1,303	5.8	168	1.5
DEM. Includ.								
W.C. BCE	3,196	56.3	1,854	26.9	1,225	25.0	117	4.4
E. BERBICE	1,460	12.9	494	7.1	904	4.3	62	1.5
BARTICA & INT.								
POINTS	73	20.7	21	0.5	41	20.2	11	0.04
RUPUNUNI	14	3.3	2	0.07	6	0.2	6	0.07
TOTAL	7,733	113.7	3,701	49.6	3,603	56.4	429	7.7

Table 3 gives details on loan size.

TABLE 3: DISTRIBUTION OF LOAN APPLICATIONS RECEIVED AND APPROVED 1973 – 1977

LOAN RANGE	Total Received 1973 – 1977		Total Approved 1973 – 1977	
	No.	%	No.	%
Less than \$ 2,000	2,767	36	1,888	53
2,000 5,000	1,940	25	891	25
5,000 10,000	893	12	291	8
10,000 20,000	839	11	267	7
20,000 50,000	493	6	171	5
50,000 100,000	139	2	44	1
100,000 +	107	1	51	1
Unspecified	555	7		
TOTAL	7,733	100	3,603	100

SECTOR LOANS

Guyana Agricultural Co-operative Development Bank since its inception, had been granting loans in all the principal sectors of agriculture and forestry. The total loans made by the Bank in these sectors are provided in Table 4.

TABLE 4: DISTRIBUTION OF LOANS BY SECTORS, 1977 AND 1973 – 1977

SECTORS	1977 '000 G\$	1973 – 1977 '000 G\$
1. AGRICULTURE	9,917.5	24,011.8
(1) Annual or Short Term Crops	2,973.8	13,422.0
(2) Tree Crops	63.5	618.5
(3) Livestock	6,880.2	9,971.3
2. FISHING	367.7	5,660.2
(1) Trawling (mainly shrimps)		2,989.2
(2) Inshore/Offshore	367.7	2,671.0
3. FORESTRY	2,551.3	5,686.9
(1) Logging	1,561.7	3,016.8
(2) Sawmilling	989.6	2,670.1
4. SPECIAL PROJECTS	18,694.2	19,854.8
(1) Crop Credit	185.2	416.9
(2) Pig Feed Scheme	617.4	1,546.3
(3) C.I.D.A. – Logging/Sawmilling	17,891.6	17,891.6
5. MISCELLANEOUS	92.0	1,215.1
TOTAL	31,622.7	56,428.8

DETAILS ON SECTORAL INVESTMENT DURING 1977

The Bank continued to intensify its efforts in 1977 on supervision and evaluation aspects of projects which were financed. Funds disburse

during the year amounted to \$7.3 Mn. reaching an aggregate of \$24.5 Mn. since the Bank began operations. The specific areas of investment are provided hereunder by categories:

INVESTMENT AREAS	NO.	AMT. \$	ACREAGE BENEFITS
Tractors	34	936,413	5,100
Oxen (No. Pairs)	38	69,225	360
Combines	2	200,474	1,000
Estab. Crops	7	81,087	285
Land Development	13	84,606	750
Misc. Services	—	102,286	—
TOTAL		<u>1,474,091</u>	<u>7,495</u>

ANNUAL OR SHORT TERM CROPS:

RICE: Number of applications approved in 1977 amounted to 118 for \$1.8 Mn. in comparison with 141 for \$1.4 Mn. in 1976. Funds disbursed during the year amounted to \$1.5 Mn. and were distributed as follows:—

For the period 1973 – 1977, the sum of \$6.7 Mn. had been disbursed for use in the rice industry, benefiting approximately 34,000 acres of rice land. Of the total, \$3.9 Mn. was spent on 175 tractors which were expected to service 18,000

acres annually. A total of \$0.3 Mn. was expended to purchase 188 pairs oxen to assist in land preparation of 1,400 acres of rice land and provide threshing and transportation services. The sum of \$0.9 Mn. was spent on 17 combines, expected to harvest 8,400 acres or threshing 150,000 bags of paddy per annum. The sum of \$1.1 Mn. was used for providing drainage and irrigation facilities and establishing crops to 5,500 acres while \$0.6 Mn. was used to purchase small equipment viz. pumps, sprayers etc. and provide other miscellaneous services.

APPENDIX 1 shows an analysis of investment by main purpose for 1973 – 1977.

SUGAR CANE:

Funds disbursed to sugar cane farmers in 1977 amounted to \$0.3 Mn. and were used for the following purposes:—

INVESTMENT AREAS	NO.	AMT. \$	ACREAGE BENEFITS
Establishing & Maintaining Crop	41	70,649	273
Land Development	15	87,053	109
Tractors and implements	2	54,633	87
Transportation	8	20,398	
Others		30,127	
TOTAL	<u>66</u>	<u>262,860</u>	469

For the period 1973 — 1977, \$1.6 Mn. was disbursed to cane farmers and approximately 3,400 acres were likely to benefit. APPENDIX 2 provides details for the period 1973 — 1977.

OTHER ANNUAL OR SHORT TERM CROPS

New loans approved for plantains, bananas, vegetables, ground provision and mixed crops totalled 121 involving \$869,694. Funds disbursed amounted to \$239,647 of which \$81,367 was spent for the cultivation of mixed crops; \$124,255. for ground provision; \$19,930 for vegetables and \$14,095 for plantains/bananas.

The main areas of investment were in the North West District, Pomeroy, Essequibo and East Bank, Essequibo. Acreage financed for ground provision alone amounted to 650 aggregating to 1,100 for 1976 and 1977.

TREE CROPS

Only fourteen (14) applications were approved in 1977 for the establishment/rehabilitation of tree crops on farms amounting to \$63,498. Funds disbursed for on-going projects totalled \$40,281. The main areas of expenditure were on infrastructural works.

FISHING & SHRIMPING**SHRIMPING**

Approval to one (1) unit involved in shrimping was approved giving an overall total during 1973 — 1977 to eight (8) and funds approved to \$3.0 Mn. of which \$2.9 Mn. was disbursed.

FISHING

The sum of \$304,862. was disbursed during 1977 of which \$196,008 was invested to provide 47 boat engines to small fishermen, \$32,372 for constructing sixteen (16) fishing boats and \$76,482. for purchasing fuel and fishing gears. APPENDIX 3 gives details on investment for the period 1973 — 1977.

LIVESTOCK

Twenty-four (24) new applications were approved during the year for \$6.9 Mn. representing 21.8% of the total funds approved for the year. The cumulative total approved for the period 1973 — 1977 amounted to \$10.0 Mn.

BEEF AND DAIRY

Thirteen (13) new loans were approved for \$6,390,727 and of this amount a major part is to be funded by the International Development Association. Amount disbursed totalled \$1,227,842 to be used mainly for the purchasing of stocks, pasture development, fencing and other infrastructural work.

PIGS

Marketing of hogs was very unstable during the year and only two new loans were approved for \$26,782. Funds disbursed amounted to \$274,868 which were used for the following purposes:—

Purchasing stocks \$6,107; improving housing and sanitation \$9,199; purchasing equipment \$2,473; purchasing feed \$257,089.

BROILERS

Funds disbursed during the year totalled \$289,575. Of this amount \$227,105 was used for feeds and purchasing chicks, \$54,076 was expended on the purchase of equipment and the construction of new pens and \$8,394 was used for miscellaneous inputs.

LAYERS

\$84,778 was disbursed in 1977. Of the total \$62,606 was used for feeds and the purchase of chicks, \$14,817 was spent on providing new pens and \$7,355 was used for miscellaneous inputs.

OTHERS

\$275,098 was disbursed for other livestock enterprises to be used mainly for purchasing stocks and feeds.

CO-OPERATIVE SOCIETIES

In 1977 loans amounting to \$3.1 Mn. were approved to 7 Co-operative Societies. The total for the period 1973 - 1977 reached \$5.0 Mn. involving 33 Co-operative Societies with a total membership of 1,008.

Nineteen Co-operative Societies were engaged in rice cultivation of which 4 of them specialised in providing machinery services. Over 6,000 acres of rice land were expected to benefit from investments made during 1973 - 1977.

Funds disbursed were used to purchase 20 tractors and implements, 4 trailers for transport services and 3 combines which are expected to

provide harvesting facilities to 2,400 acres of land per annum. Three Co-op. Societies brought undeveloped lands under rice cultivation by providing infrastructural works through loan funds. Three applications were approved in 1977 for logging/sawmills for the sum of \$700,700 bringing the total approved to 6 for \$989,416.

The Bank continued to point out its dissatisfaction on the performance of some Co-operative Societies and identified --

- (1) Management
- and (2) lack of interest by members as the main constraints

The following table gives the distribution of loans to Co-operative Societies by main activity.

DISTRIBUTION OF LOANS TO CO-OP. SOCIETIES BY MAIN ACTIVITY 1973 - 1977

ACTIVITY	1977		1973 - 1977	
	Loans Appr. No.	Amount Appr. \$	Loans Appr. No.	Amount Appr. \$
Rice	1	110,474	19	1,177,779
Logging/Sawmilling	3	700,700	6	989,416
Mixed Farming	1	530,000	3	606,724
Cattle	2	1,717,873	3	1,779,063
Sugar Cane	-	-	1	394,915
Fishing	-	-	1	73,500
TOTAL	7	3,059,047	33	5,020,397

SPECIAL PROJECTS CROP CREDIT SCHEME

The Bank, conscious of its role in providing credit facilities for the development of agriculture, experimented in 1976 by liberalising its loan making procedures with the introduction of a Crop Credit Scheme for small scale farmers.

The requirements for a farmer to qualify for a loan are:-

- 1. He should have land;
- and 2. he should be willing to supply family labour.

A maximum credit limit was assessed per acre and per crop and was used as the basis for establishing the total loan amount depending on the proposed acreages to be cultivated. Hence, no elaborate financial analysis was required and no securities demanded.

The objective of the programme was to make credit facilities more accessible to farmers,

especially, in the far-reaching areas and to step up the production of maize, black-eye peas, peanuts, bitter cassava, yams and sweet potatoes.

By the end of 1977, a total of 864 loans was made under the scheme involving \$264,622 for cultivating 4,400 acres land.

It was assumed that the programme would have had a high cost to return ratio because of the remote location of farms. As a consequence, servicing, supervision and collection were envisaged to be an expensive proposition.

This was evident at the end of 1977 when an evaluation of the financial position of the scheme showed a deficit of \$237,000. However, in terms of the objectives of the programme the Bank was moderately successful. The following table provides the projected output for 1976 and 1977.

CROP CREDIT SCHEME – PROJECTED OUTPUT, 1976 & 1977						
CROPS & AREAS	1977		1976		TOTAL	
	Ac.	'000 lbs.	Ac.	'000 lbs.	Ac.	'000 lbs.
CORN						
Pomeroon	6	6	540	540	546	546
Berbice Rio.	1,504	2,256	824	824	2,328	3,080
Canje Rio.	369	554	—	—	369	554
TOTAL	1,879	2,816	2,816	1,364	3,243	4,180
BLACK-EYE PEAS						
Pomeroon	63	38	201	120	264	159
B.B. Polder	—	—	250	150	250	150
Berbice Rio.	5	3	22	13	27	16
Canje Rio.	12	7	—	—	12	7
TOTAL	80	48	473	283	553	332
PEANUTS						
North West Dist.	23	23	48	48	71	71
OTHERS						
Pomeroon	49	392	445	3,560	494	3,952
North W. Dist.	13	104	—	—	13	104
TOTAL	62	496	445	3,560	507	4,056

In assessing the performance of the scheme, the Bank was very much encouraged by the enthusiastic response of the maize farmers in the Berbice River and, to a lesser extent, in the Canje River. It was estimated that over 90% of the projected output would be achieved in those areas. Major setback to the programme was the difficulty experienced by the farmers in selling their crops, the grading system used and the haphazard collection of repayments on behalf of the Bank.

However, the Bank was disheartened about the performance in the Black Bush Polder. Only about 40% of the black-eye crop was achieved in 1976 due to non-availability of planting material. Some farmers who had their land prepared were given permission to plant vegetables and successful crops were reaped but the lack of appreciation of a significant number of them to honour their obligation had jeopardised the expansion of the programme.

In the North West District, an estimated 80% of the crop was reaped. Lack of inputs, viz limestone and planting material, caused unnecessary delay and amendments had to be made to the operational schedule.

Pomeroon was the first district where the scheme was tried. The response was overwhelming but despite successful crops, loan recovery was very unsatisfactory.

In 1977, five trips were made in the Berbice and Canje Rivers. Eighty spray cans were imported for distribution to maize farmers, 632 pieces of tools were purchased in Georgetown and transported to the area while cheques for land clearing and tending crop operations were disbursed on site.

In the North West District, a Farm Credit Service Office was established at Wauna. Twenty tons limestone were purchased and transported to the area for the 1976/1977 peanut crops. Fertilisers required by farmers on the scheme were made available through the Ministry of Agriculture on behalf of the Bank.

The credit supervisors, stationed at Charity, attended to farmers' requests and supervised farms in the Pomeroon River. The expenses for procurement, transportation and disbursement were absorbed by the Bank.

APPENDIX 10 provides data on amount approved and disbursed in 1976 and 1977.

PIG FEED CREDIT SCHEME

The Pig Feed Credit Scheme was absorbed by the Bank in December, 1976. Previously, it had been supervised by the Ministry of Agriculture. By the end of 1977, 504 loans were made totalling \$1.5 Mn. Disbursement amounted to \$1.9 Mn. which included a proportion of re-cycled funds.

An inventory taken for the year 1977 showed

that 419 farmers were receiving feed. An interview of 383 or 91% of them was conducted to gather data and to permit an analysis on inventory changes and to derive indicators to measure the performance.

The following table shows the changes in inventory over one year.

CHANGES IN INVENTORY – PIG FEED CREDIT AUDIT SCHEME

CATEGORIES	INVENTORY DEC. 1976	INVENTORY 1 Year after	DIFFERENCE
BOARS	346	246	- 100
SOWS	2,313	1,619	- 694
WEANERS	4,711	3,411	-1300
FATTENERS 2 - 4 Mths;	4,557	3,379	-1178
FATTENERS 4 - 6 "	3,239	3,282	+ 43
FATTENERS 6 - 8 "	3,105	2,958	- 147
FATTENERS 8 + "	1,218	650	- 568
TOTAL	19,489	15,545	3,944

From the analysis it was observed that the sow population declined by 694 or 30%. In December, 1976, the number of sows on farms totalled 2,313 compared with 1,619 in December, 1977. The overall herd composition was 3,944 or in value terms \$442,000. less than the year before. Of the 383 farmers interviewed 244 or 64% had reported reduced stocks when compared with a year earlier.

For Essequibo farmers, the Bank continued to purchase, transport and distribute pig feed to pig rearers on the scheme. A total of 165 farmers were receiving feed as at December, 1977.

The number of breeding stock declined by 38% while the total herd composition was 23% less when compared with the inventory one year before.

There was a constant complain from pig rearers on the discriminatory system of purchasing their hogs. Further inefficiencies in the industry resulted from:—

1. Farmers had to wait for considerable periods before they were paid for hogs
- and 2. pig rearers had to keep their hogs for long periods after they had obtained marketable weights incurring additional costs.

The marketing problems caused great frustration among pig rearers and this has adversely affected the performance of the scheme.

Amount of principal outstanding as at December, 1977 was \$0.8 Mn. about 50% of the

value of stocks. In many instances borrowers had less value in stocks than their outstanding balances.

The cost of servicing the scheme was significantly higher than the returns resulting in a deficit of \$262,000 to the Bank.

FINANCIAL OPERATIONS

INCOME

During 1977 income from operations increased by some 35% on our 1976 income and amount to approximately \$1,843,663.

Areas of increase were from appraisals and other fees, as in 1977 the Bank had appraised quite a few sizeable loans. Also, the interest on loans and advances increased by some \$300,000.00. There was also a substantial increase from rents and other income in 1977 over the 1976 figure. The major cause for this increase was the taking over of the Livestock Project Division from the Central Bank and for services rendered by the Bank for this project.

EXPENSES

There was a sharp increase in expenses in 1977; an increase as high as 71% above the 1976 figure of approximately \$1,439,544, expenses for 1977 amounted to \$2,465,122. The major areas of

increase were in the interest expense, salaries and other operating expenses.

Interest expense increased from \$397,589 to \$604,418, an increase of 52%, approximately.

The major amount of interest was paid to the Caribbean Development Bank which totalled more than 80% of interest expense on two loans which the Bank acquired from them.

Salaries expense moved from approximately \$574,805 in 1976 to \$816,068 in 1977 and represents a 42% increase in salaries. This increase

is mainly due to the retroactive minimum wage payout which was announced in 1977 and also a few increases in staff numbers.

The major jump in expenses was under the heading "Other Operating Expenses" which increased by approximately 123% over the 1976 figure.

In 1976 this expenditure amounted to approximately \$467,159 while in 1977 the figure for our operating expenses amounted to just over \$1,044,635. Under closed scrutiny the major increases were in the following accounts.

SELECTED OTHER OPERATING EXPENSES		
	1976	1977
	\$	\$
Training Expenses	5,188.04	17,669.16
Electricity Charges	14,510.04	34,065.74
Travelling and Subsistence (Local)	28,700.85	66,283.19
Motor Vehicle Expenses	83,977.59	118,464.99
Stationery and Supplies	26,542.62	47,968.55
Motor Vehicle Insurance	17,000.00	23,107.50
Telephone Charges	17,391.09	25,631.12
Computer Rental	7,225.00	36,300.00
Security of Premises	10,807.49	50,510.54
Pig Feed Expenses	1,262.08	10,088.33
Provision for Bad Debts	150,000.00	500,000.00
	<u>362,604.80</u>	<u>930,089.12</u>
INCREASE OF 157%		

TRAINING EXPENSE

Training Expense increased by some 240% over the 1976 figure. The Bank, because of the more complex nature of loan applications received, is continually running training programmes for all levels of staff in order to display a higher degree of efficiency.

During 1977, training for Bank staff was supplemented by the assistance of the Canadian International Development Agency which paid partly for a training programme run in Guyana by one of their officers for the Bank's Credit staff. Assistance was also received from the Caribbean Development Bank.

ELECTRICITY CHARGES

Electricity charges in 1977 increased by 150% and was \$34,065. The Bank had moved its

operations to new premises thus, increased expense also the increased rates made by the Guyana Electricity Corporation.

TRAVELLING & SUBSISTENCE (Local)

In 1976 this expenditure amounted to \$28,708.85, while in 1977 the figure mounted to \$66,283.19, an increase of approximately 127%. This increase was due to the increased cost for accommodation and meals paid to the staff and also the increased level of travelling by Credit Officers regarding supervision and appraisals of loans.

During this period the Bank went into more remote areas and in some instances, spent some two straight weeks working and operating in the Berbice and Canje Rivers which also accounted for this large increase in expenditure.

MOTOR VEHICLE EXPENSES

There was a 40% increase in motor vehicle expense in 1977 because of the increased price of petrol and high cost for spare parts coupled with the difficulty in acquiring some of these spare parts. In some instances, the Bank had to purchase spares in the United States and air freight them to Guyana so as to ensure that the operations of the institution could continue smoothly, hence the increase in this expenditure.

STATIONERY AND SUPPLIES

Due to a constant increase in the price of stationery and supplies in 1977, an 84% increase in expenditure in this area is reflected in 1977. This expenditure would have been much higher if the Bank had not done most of its printing on Gestetner equipment and also move to the use of newsprint in most of its operations. The many forms and vouchers that are necessary for the smooth running of the Institution have constantly been reviewed and minimised so as to have a levelling off of this cost during inflationary periods.

MOTOR VEHICLE INSURANCE

The 35% increase reflects the direct increase in insurance costs in 1977 and the addition of a few vehicles which were formerly under the Livestock Project Division

TELEPHONE CHARGES

Telephone charges in 1976 amounted to \$17,391.09 and increased to \$25,631.12 in 1977. There were two factors which accounted for this increase:—

1. The increase of rates put out by the Guyana Telecommunications Corporation
- and 2. the expanding of telephone services to our outlying offices so as to maintain constant communications with our offices in the rural districts.

COMPUTER RENTAL

Computer rental in 1976 amounted to a small amount of \$7,225.00 while in 1977 it amounted to \$36,300.00, an increase of some 414%. The reason for this tremendous increase is that the 1976 figure is highly understated as the Bank did not pay for services since the machine was inoperable for a long period during that year. The 1977 figure is a more realistic charge for computer rental.

SECURITY OF PREMISES

Security of premises has risen by 354% and is mainly because the Bank has now moved to a new location and has to provide twenty-four hour security for its premises. Also in other areas the Bank has had to double-up on its security on

account of many threats and attempts by persons to pilfer property of the Bank or attempts of break and entry.

PIG FEED EXPENSE

This expense is only some of the direct expense for running the Pig Feed Credit Scheme and as indicated earlier, the whole Pig Feed Credit Scheme has shown a deficit of some \$261,000.00. The \$10,088.33 reflected in 1977 Accounts represents salaries, wages and loss of pig feed through damage.

Operations for the period 1977 reflect a deficit of some \$763,593.13. However, in real terms it was shown that our loss on loans under \$5,000.00 Pig Feed Credit and Crop Credit resulted in some \$819,000.00 whereby in effect had not these operations been carried on by the Bank, we would have shown a surplus on the operations in 1977. It is difficult to see how the Bank could not provide the service of loans under \$5,000.00 Crop Credit and Pig Feed Credit which all have social and economic value to the nation and the economy. One must, however, note that performance is not only measured by surpluses in a Developmental Institution like the Bank, but also by the impact on the economy both socially and economically by its operations.

In the coming year the Bank intends to expand its operations in the Crop Credit area by some three to four million dollars from the Inter-American Development Bank. At the same time, the Bank, as mentioned earlier, has had projects of a more complex nature and management is closely watching the balance between these two operations with a view of at least breaking even. The Bank will have to continue to market for some more large projects so as to have this equilibrium between the small lending operations and the profitable ones which will support those for the small farmers. At present, the Bank has put to its Board of Directors this same question for review.

In 1977, the Bank continued to play its role within the community and supported many community projects and has been actively involved in other spheres of activity other than agriculture. The staff have been generally of great assistance and must be complimented for their continued dedication and support which they have given management in the last year so that our aims and objectives continue to be realised.

The Board of Directors have also played an important role towards the continued development of the Bank and on behalf of Management and Staff, thanks to them for the support we received in 1977.



John C. Yancey
SIGNATURE

STATISTICAL ANNEXE

APPENDIX 1	Investments made in the Rice Industry
2	Investments made to Sugar Cane
3	Investments made in the Fishing Industry
4	Loan Approvals, Disbursements and Repayments 1977
5	Loan Approvals, Disbursements and Loans fully repaid – 1973 – 1977
6	Distribution of loans by regions 1973 – 1977
7	Distribution of loans approved by types and by regions 1973 – 1977
8	Distribution of loan applications received by quarters 1973 – 1977
9	Distribution of loans approved by quarters
10	Crop Credit Loans approved and disbursed areas, 1976 and 1977.

APPENDIX I

INVESTMENTS MADE IN THE RICE INDUSTRY, THROUGH LOAN DISBURSEMENT,

CLASSIFIED BY MAIN PURPOSE, 1973 – 1977

MAIN PURPOSE	1977		1976		1975		1973/74*		Total 1973 – 77	
	No.	\$	No.	\$	No.	\$	No.	\$	No.	\$
TRACTORS	34	936,413	36	839,266	51	1,111,911	54	973,852	175	3,861,442
ACREAGE BENEFITS	5,100		3,153		5,170		4,760		18,183	
OXEN (PAIRS)	38	69,225	62	78,650	61	68,231	27	34,167	188	250,273
ACREAGE BENEFITS	360		425		430		220		1,435	
COMBINES	2	200,474	—	—	5	327,749	10	378,975	17	907,198
ACREAGE BENEFITS	1,000				2,400		5,000		8,400	
LAND DEVELOPMENT	13	84,606	31	197,187	26	525,053	14	16,833		823,679
ACREAGE BENEFITS	750		1,400		1,790		830		4,770	
ESTABLISHING CROPS	7	81,087	5	22,340	3	20,007	6	111,262		234,696
ACREAGE BENEFITS	285		98		30		350		763	
MISCELLANEOUS SERVICES		102,286**		193,128		171,570		149,468		616,452
TOTAL		1,474,091		1,330,571		2,224,521		1,664,557		6,693,740
ACREAGE BENEFIT	7,495		5,076		9,820		11,160		33,551	

EXPLANATORY NOTES: * 7 months in 1973 – The Bank began operation on 26th May, 1973.

** In 1977, \$75,520 was disbursed for purchasing small equipments compared with \$85,817 in 1976

The amounts disbursed include G.A.C.D.B. share only and do not include Borrowers' Contributions.

APPENDIX 2

**INVESTMENTS MADE IN THE SUGAR INDUSTRY, THROUGH LOAN DISBURSEMENT,
TO SUGAR CANE FARMERS CLASSIFIED BY MAIN PURPOSE**

PURPOSE	No.	1977	1976	1975	1973/74	Total 1973-77.				
		\$	No.	\$	No.	\$	No.			
ESTABLISHING & MAINTAINING CROPS	41	70,649	12	46,992	17	194,913	18	312,205	88	624,759
ACREAGE BENEFIT	273		192		411		462		1,338	
LAND DEVELOPED, INCLUDING D. & I.	15	87,053	10	81,821	6	33,827	5	169,116	36	371,817
ACREAGE BENEFIT	109		200		146		350		805	
ACQUIRING LANDS, DEVELOP & ESTABLISH CROP	-	-	-	-	3	7,780	4	23,200	7	30,980
ACREAGE BENEFIT	-	-	-	-	11		34		45	
TRACTORS AND IMPLEMENTS	2	54,633	5	122,234	5	86,401	7	127,863	19	391,131
ACREAGE BENEFIT	87		207		165		456		915	
TRANSPORTATION CANE CARTS AND TRAILERS	8	20,398	15	24,850	6	11,358	6	14,444	35	71,050
BULLDOZER	-	-	-	-	-	-	1	41,659	1	41,659
ACREAGE BENEFIT	-		-		-		300		300	
OXEN (NO/PAIRS)	-	-	1	1,978	-	-	2	3,100	3	5,078
ACREAGE BENEFIT	-		3		-		10		13	
MISCELLANEOUS		30,127		4,824		11,540				46,491
TOTAL		262,860		282,699		345,819		691,587		1,582,965
ACREAGE BENEFITS	469		602		733		1,612		3,416	

APPENDIX 3

**INVESTMENTS MADE IN THE FISHING INDUSTRY THROUGH LOAN
DISBURSEMENT, CLASSIFIED BY MAIN PURPOSE, 1973/74**

PURPOSE	1977		1976		1975		1973/74		1973 - 1977	
	NO.	\$	NO.	\$	NO.	\$	NO.	\$	NO.	\$
Out-Board and Marine Engines	47	196,008	53	250,964	36	225,606	20	163,345	156	835,923
Construction of Fishing Boats	16	32,372	25	42,881	16	40,913	14	38,220	71	154,386
Fishing Gears, Fuel, Lubricants		76,482		95,394		50,485		42,125		264,486
TOTAL		304,862		389,239		317,004		243,690		1,254,795

THE AMOUNT DISBURSED REPRESENTS G.A.C.D.B. SHARE - BORROWERS' CONTRIBUTIONS ARE NOT INCLUDED.

APPENDIX 4

LOANS APPROVED, DISBURSED AND REPAYMENTS MADE DURING 1977 BY TYPES						
LOAN TYPE	APPROVALS		DISBURSED \$	REPAYMENTS		
	NO.	\$		INTEREST	PRINCIPAL	TOTAL
ARABLE CROPS						
Rice	118	1,817,382	1,474,091	231,238	669,454	900,692
Sugar Cane	42	286,764	262,860	52,396	103,307	155,703
Plantains/Bananas	9	31,682	14,095	1,571	5,772	7,343
Vegetables	15	25,951	19,930	2,556	16,087	18,643
Ground Provision	62	159,073	124,255	9,295	21,548	30,843
Arable Others	5	13,300	14,863	3,691	5,965	9,656
Arable Mixture	30	639,688	66,504	28,250	50,224	78,474
TREE CROPS						
Coconuts	2	10,300	9,811	2,569	5,589	8,158
Citrus	1	10,000	11,100	2,775	5,329	8,104
Coffee	2	3,390	300	267	80	347
Cashew	—	—	—	—	—	—
Oil Palm	—	—	6,250	569	256	825
Other	4	15,708	11,189	239	707	946
Mixture	5	24,100	1,631	1,237	227	1,464
LIVESTOCK						
Dairy	10	4,341,694	620,382	4,494	9,924	14,418
Beef	3	2,049,033	607,460	14,948	44,225	59,173
Pigs	2	26,782	274,868	36,591	123,403	159,994
Broilers	1	222,282	289,575	49,329	363,130	412,459
Layers	1	10,400	84,778	8,421	42,851	51,272
Others	4	13,950	8,860	442	2,049	2,491
Mixture	3	216,034	266,238	8,598	18,890	27,488
FISHING						
Inshore/Offshore	65	300,738	304,862	56,139	171,965	228,104
Deep Sea	1	67,000	3,000	291,412	37,800	329,212
TIMBER						
Logging — (C.I.D.A.)	6	1,561,718	762,870	91,887	266,344	358,231
Sawmilling	4	989,600	186,041	97,339	108,220	205,559
SPECIAL PROJECTS						
Logging/Sawmilling (C.I.D.A.)	7	17,891,633	—	—	—	—
Crop Credit	315	185,133	92,510	5,904	36,491	42,395
Pig Feed Credit	231	617,383	1,750,558	51,326	1,123,069	1,174,395
OTHERS						
Agric. M'ery Estb.	1	5,500	—	3,870	48,733	52,603
Transportation Services	9	86,529	47,327	188	424	612
TOTAL	958	31,622,747	7,316,208	1,057,541	3,282,063	4,339,604

APPENDIX 5

GUYANA AGRICULTURAL CO-OPERATIVE DEVELOPMENT BANK
LOAN ANALYSIS MAY, 1973- DECEMBER, 1977

LOAN TYPE	NO.	APPROVALS	DISBURSEMENTS	NO.	FULLY REPAID
ARABLE CROPS:		\$			\$
Rice	821	8,554,159	6,693,740	165	676,463
Sugar Cane	175	2,755,736	1,582,965	12	354,055
Plantains/Bananas	27	72,615	41,117	2	2,100
Vegetables	73	98,126	69,917	9	9,369
G/Provision	147	407,740	245,852	4	3,040
Arable Other	29	185,121	149,121	3	4,050
Arable Mixture	252	1,348,475	556,188	26	42,648
TREE CROPS:					
Coconuts	24	113,362	50,177	3	5,450
Citrus	26	244,771	171,255	4	7,123
Coffee	5	8,275	3,460	1	660
Cashew	1	142,760	60,871	—	—
Oil Palm	2	35,648	32,644	—	—
Mixture	15	52,116	21,462	2	4,800
Other	6	21,536	16,482	—	—
LIVESTOCK					
Dairy	26	4,496,269	701,284	2	4,880
Beef	10	2,345,054	842,978	—	—
Pigs	97	1,154,829	998,954	10	58,523
Broilers	78	1,018,328	913,154	15	67,580
Layers	27	384,134	297,331	8	41,356
Other	14	47,789	33,387	4	5,384
Mixture	18	524,902	452,571	3	44,004
FISHING:					
Inshore/Offshore	280	2,671,000	1,254,795	38	169,484
Deep Sea	8	2,989,178	2,899,695	—	—
TIMBER:					
Logging	27	3,016,845	1,902,927	4	29,950
Sawmilling	14	2,670,127	1,493,998	—	—
C.I.D.A.	7	17,891,633	—	—	—
OTHER:					
Plantain Mill	1	1,825	1,825	—	—
Starch Mill	1	800	800	1	800
Agri. Mach. Estab.	5	859,017	853,517	1	50,000
Food Processing	1	201,500	—	—	—
Transp. Services	18	151,899	54,613	1	2,500
Crop Credit	864	416,942	264,622	101	30,161
Pig Feed Credit	504	1,546,331	1,872,483	—	—
TOTAL	3603	56,428,841	24,534,185	419	1,614,380

APPENDIX 6

DISTRIBUTION OF LOANS BY REGIONS, 1973 - 1977								
REGIONS AND SUB-DISTRICTS	APPLICATIONS RECEIVED		APPLICATIONS REJECTED		APPLICATIONS APPROVED		APPLICATIONS PENDING	
	NO.	AMT. \$	NO.	AMT. \$	NO.	AMT. \$	NO.	AMT. \$
<u>NORTH WEST DISTRICT:</u>								
Moruka	36	178,055	3	12,200	1	21,600	32	144,265
Barima River	50	718,701	24	296,141	8	375,984	18	46,576
Morawhanna/Yarakita	184	591,347	57	340,902	114	213,816	13	36,629
Matthews Ridge	7	337,114	4	14,874	1	312,000	2	10,240
Total N.W.D.	277	1,826,227	88	664,117	124	923,400	65	237,710
<u>ESSEQUIBO:</u>								
Essequibo Coast	1192	9,626,166	571	6,302,812	523	2,430,901	98	892,453
Essequibo Islands	514	4,178,296	284	3,535,340	201	556,535	29	86,421
Pomeroon	731	3,276,707	235	2,009,262	465	973,041	31	294,404
East Bank Essequibo.	276	4,481,276	152	2,465,961	114	1,798,723	10	216,592
Total Essequibo	2713	21,562,445	1242	14,313,375	1303	5,759,200	168	1,489,870
<u>DEMERARA (Include W.C. BERBICE)</u>								
W.C. Berbice	420	6,064,699	223	2,643,045	187	3,281,176	10	140,478
Abary/Mahaica	431	7,583,766	285	5,320,065	137	1,867,041	9	396,660
Mahaica/G'Town	933	9,050,518	545	5,004,582	365	3,621,513	23	424,423
Georgetown	105	6,103,257	49	2,480,904	50	3,237,292	6	385,061
E.B.D./Timehri	337	8,210,289	209	4,392,081	119	2,937,974	9	880,234
Soesdyke/Linden.	363	12,641,124	222	3,738,065	120	8,219,516	21	683,543
West Demerara	607	6,646,633	321	3,369,857	247	1,812,536	39	1,464,240
Total Dem + W.C. Berbice	3196	56,300,286	1854	26,948,599	1225	24,977,048	117	4,374,639
<u>EAST BERBICE:</u>								
Corentyne River	13	282,948	9	273,240	1	1,006	3	8,700
Corentyne (From No. 19)	884	10,116,219	384	5,613,653	468	3,418,708	32	1,083,658
East Berbice	124	1,509,601	77	838,970	31	444,982	16	225,649
Berbice River +								
Int. Savannah	439	972,321	24	375,546	404	423,275	11	173,500
Total East Berbice	1460	12,881,089	494	7,101,409	904	4,287,973	62	1,491,707
<u>BARTICA/INTERIOR:</u>								
Bartica/Mahdia/Issano	46	1,358,790	15	357,106	22	971,527	9	30,157
Interior Points	27	19,439,998	6	99,840	19	19,324,158	2	16,000
Total Bartica	73	20,798,788	21	456,946	41	20,295,685	11	46,157
<u>RUPUNUNI:</u>								
South Rupununi	8	56,170	1	1,900	3	37,475	4	16,795
North Rupununi	5	270,060	1	76,000	2	144,060	2	50,000
Pakaraima Mountains	1	4,000	-	-	1	4,000	-	-
Total Rupununi	14	330,230	2	77,900	6	185,535	6	66,795
GRAND TOTAL	7733	113,898,065	3701	49,562,346	3603	56,428,841	429	7,706,678

APPENDIX 7

DISTRIBUTION OF LOANS APPROVED BY TYPES AND REGIONS

1973 - 1977

LOAN TYPE	1 N.W.D.		2 E'BO		3 DEM (ind. W.C.B.)		4 EAST B'CE		5 INTERIOR		6 RUPUNUNI		TOTAL	
	No	\$	No	\$	No	\$	No	\$	No	\$	No	\$	No	\$
ARABLE CROPS														
Rice	--	--	333	1,828,556	274	4,190,010	214	2,535,593	--	--	--	--	821	8,554,159
Sugar Cane	--	--	16	916,367	155	1,411,410	4	427,958	--	--	--	--	175	2,755,735
Plantains/bananas	--	--	26	72,115	1	500	--	--	--	--	--	--	27	72,615
Vegetables	--	--	1	3,300	26	41,353	45	49,473	--	--	1	4,000	73	98,126
Ground Provision	13	59,186	105	265,243	21	68,638	4	9,673	4	5,000	--	--	147	407,740
Arable other	9	18,964	8	34,088	8	121,985	2	3,600	2	6,484	--	--	29	185,121
Arable Mixture	18	44,113	168	471,210	52	763,218	8	50,808	5	17,826	1	1,300	252	1,348,475
TREE CROPS														
Coconuts	--	--	20	103,247	3	5,795	1	4,320	--	--	--	--	24	113,362
Citrus	--	--	11	34,791	12	190,580	2	12,400	1	7,000	--	--	26	244,771
Coffee	2	3,275	3	5,000	--	--	--	--	--	--	--	--	5	8,275
Cashew	--	--	--	--	--	--	--	--	--	--	1	142,760	1	142,760
Oil Palm	2	35,648	--	--	--	--	--	--	--	--	--	--	2	35,648
Tree Crop Other	--	--	--	--	6	21,536	--	--	--	--	--	--	6	21,536
Tree Crop Mix	2	1,740	8	16,636	4	26,990	--	--	1	6,750	--	--	15	52,116
LIVESTOCK														
Dairy	--	--	7	22,580	18	4,451,709	1	21,980	--	--	--	--	26	4,496,269
Beef	1	312,000	1	59,000	5	1,800,754	2	137,845	--	--	1	35,455	10	2,345,054
Pigs	--	--	19	247,121	71	834,691	5	70,997	--	--	2	2,020	97	1,154,829
Broilers	--	--	7	53,101	62	923,223	4	23,120	5	18,884	--	--	78	1,018,328
Layers	--	--	3	86,033	23	286,101	1	12,000	--	--	--	--	27	384,134
Livestock other	--	--	8	32,889	4	10,700	2	4,200	--	--	--	--	14	47,789
Livestock Mixture	--	--	1	2,692	13	492,150	1	12,310	3	17,750	--	--	18	524,902

APPENDIX 7 (Cont'd)

FISHING														
Inshore	10	37,928	78	486,778	156	2,015,882	35	125,512	1	4,900	--	--	280	2,671,000
Deep Sea	--	--	--	--	7	2,889,178	1	100,000	--	--	--	--	8	2,989,178
TIMBER														
Logging	1	326,800	6	163,291	8	230,950	--	--	12	2,295,804	--	--	27	3,016,845
Sawmilling	--	--	2	248,273	9	1,293,994	2	293,023	1	834,837	--	--	14	2,670,127
C.I.D.A.	--	--	--	--	1	811,183	--	--	6	17,080,450	--	--	7	17,891,633
OTHERS														
Plantain Mill	--	--	--	--	1	1,825	--	--	--	--	--	--	1	1,825
Cassava Mill	--	--	--	--	1	800	--	--	--	--	--	--	1	800
Agri. Mach. Estb	--	--	1	5,500	4	853,517	--	--	--	--	--	--	5	859,017
Processing	--	--	--	--	1	201,500	--	--	--	--	--	--	1	201,500
Trans. Services	2	34,600	5	54,665	9	59,264	2	3,370	--	--	--	--	18	151,899
SPECIAL PROJ.														
Crop Credit	64	49,146	263	132,206	4	6,184	533	229,406	--	--	--	--	364	416,942
Pig Feed Credit	--	--	203	414,518	267	1,028,113	34	103,700	--	--	--	--	504	1,546,331
TOTAL COUNTRY	124	923,400	1303	5,759,200	1226	25,033,733	903	4,231,288	41	20,295,685	6	185,535	3603	56,428,841

APPENDIX 8

DISTRIBUTION OF LOAN APPLICATIONS RECEIVED BY QUARTERS, 1973 - 1977

YEARS & QRS	LOAN RANGE							un- specified	TOTAL
	2,000	2,000 - 5,000	5,000 - 10,000	10,000 - 20,000	20,000 - 50,000	50,000 - 100,000	100,000 +		
1973 - 2	25	40	29	24	14	4	3	3	142
3	299	201	79	113	38	8	10	22	770
4	130	86	48	74	25	12	4	13	392
TOTAL	454	327	156	211	77	24	17	38	1,304
1974 - 1	67	66	37	42	27	8	3	20	270
2	46	64	47	65	34	8	8	25	297
3	91	84	50	62	29	8	4	35	363
4	128	72	50	67	36	11	10	13	387
TOTAL	332	286	184	236	126	35	25	93	1,317
1975 - 1	133	108	68	78	31	13	8	22	461
2	139	178	84	63	40	17	9	21	551
3	100	95	57	44	23	8	3	60	390
4	36	42	23	20	22	5	4	49	201
TOTAL	408	423	232	205	116	43	24	152	1,603
1976 - 1	68	69	28	30	27	9	5	62	298
2	65	71	37	18	30	1	3	71	296
3	632	65	34	25	27	4	3	58	848
4	204	341	118	37	22	10	9	74	815
TOTAL	969	546	217	110	106	24	20	265	2,257
1977 - 1	221	185	25	28	27	5	6	7	504
2	137	82	30	25	16	5	6	-	301
3	198	61	37	19	18	3	2	-	338
4	48	30	12	5	7	-	7	-	109
TOTAL	604	358	104	77	68	13	21	7	1,252
Grand Total	2,767	1,940	893	839	493	139	107	555	7,733

APPENDIX 9

DISTRIBUTION OF LOAN APPLICATIONS APPROVED BY QUARTERS, 1973 - 1977								
YEARS & QRS	LOAN RANGE						TOTAL	
	2,000	2,000-5,000	5,000-10,000	10,000-20,000	20,000-50,000	50,000-100,000		100,000+
1973 - 2	2	-	-	-	-	-	-	2
3	71	20	4	7	3	-	2	107
4	57	22	7	12	6	1	2	107
TOTAL	130	42	11	19	9	1	4	216
1974 - 1	6	9	6	14	6	2	3	46
2	58	31	25	27	13	2	3	159
3	37	37	20	22	11	4	2	133
4	64	49	16	20	10	3	1	163
TOTAL	165	126	67	83	40	11	9	501
1975 - 1	71	47	28	26	11	7	3	193
2	52	30	18	14	19	-	-	133
3	42	29	7	25	8	5	-	116
4	57	56	18	5	7	2	-	145
TOTAL	222	162	71	70	45	14	3	587
1976 - 1	29	9	12	14	11	5	6	86
2	39	36	10	9	6	1	2	103
3	590	41	13	19	11	3	3	680
4	160	206	66	23	14	2	1	472
TOTAL	818	292	101	65	42	11	12	1,341
1977 - 1	140	153	24	8	13	3	5	346
2	194	51	6	12	6	1	3	273
3	186	40	4	6	6	2	4	248
4	33	25	7	4	10	1	11	91
TOTAL	553	269	41	30	35	7	23	958
Grand Total	1,888	891	291	267	171	44	51	3,603

APPENDIX 10

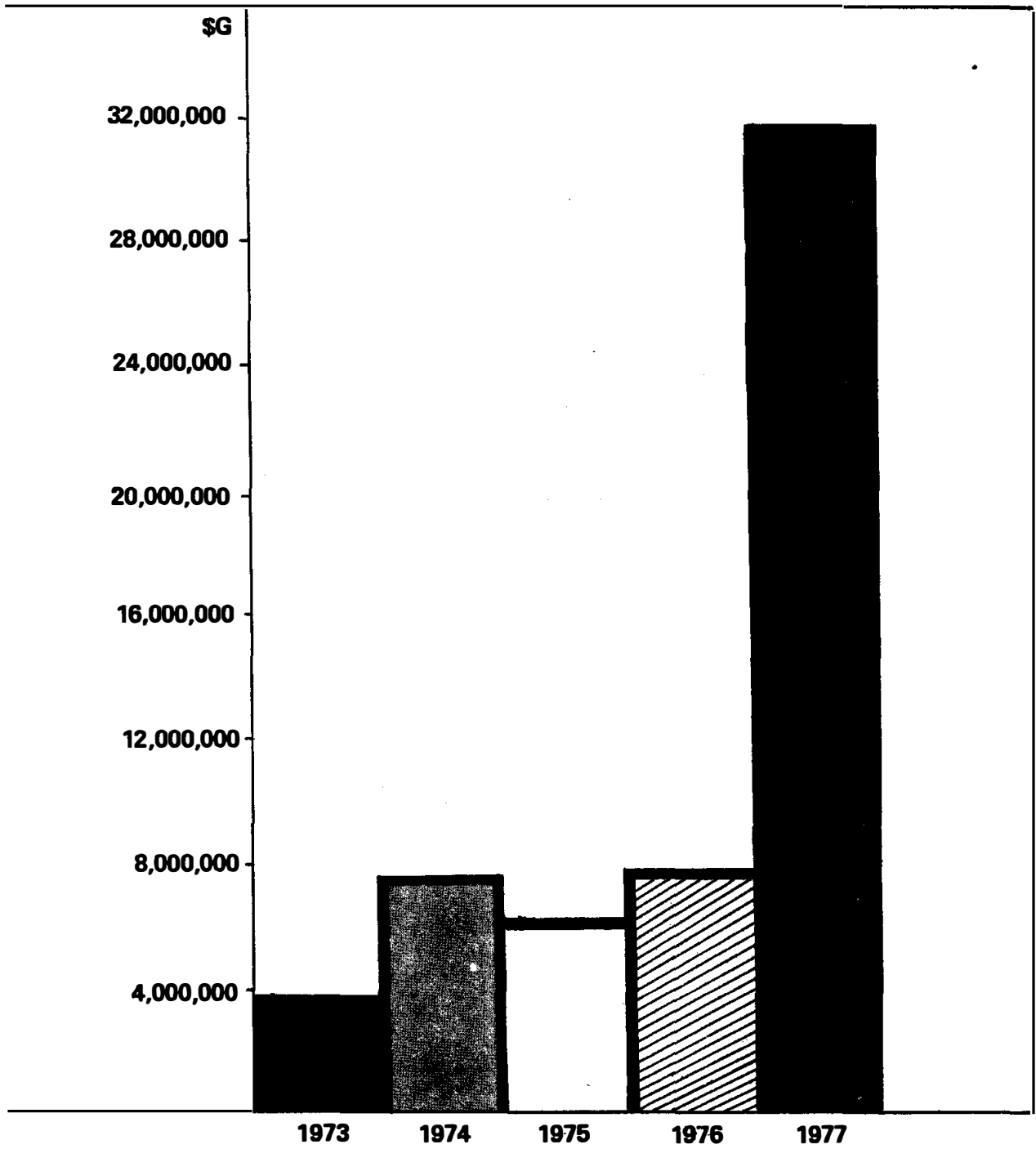
CROP CREDIT LOANS – AMOUNT APPROVED AND
DISBURSED, 1976 & 1977

A R E A S	NOT APPROVED			AMOUNT APPROVED			AMOUNT DISBURSED		
	1977	1976	TOTAL	1977	1976	TOTAL	1977	1976	TOTAL
Canje River	63	—	63	35,343	—	35,343	18,213	—	18,213
Berbice River	197	134	331	115,900	43,011	158,911	57,067	17,312	74,379
E.B. Dem. & E.C. Dem.	1	3	4	3,655	2,529	6,184	2,349	559	2,908
Pomeroon River	23	237	260	7,309	118,770	126,079	5,915	121,299	127,214
E.B. Essequibo	3	—	3	6,127	—	6,127	2,563	—	2,563
Black Bush Polder	—	139	139	—	35,152	35,152	—	17,754	17,754
Wauna Yarakita	28	36	64	16,799	32,347	49,146	6,403	15,188	21,591
TOTAL	315	549	864	185,133	231,809	416,942	92,510	172,112	264,622

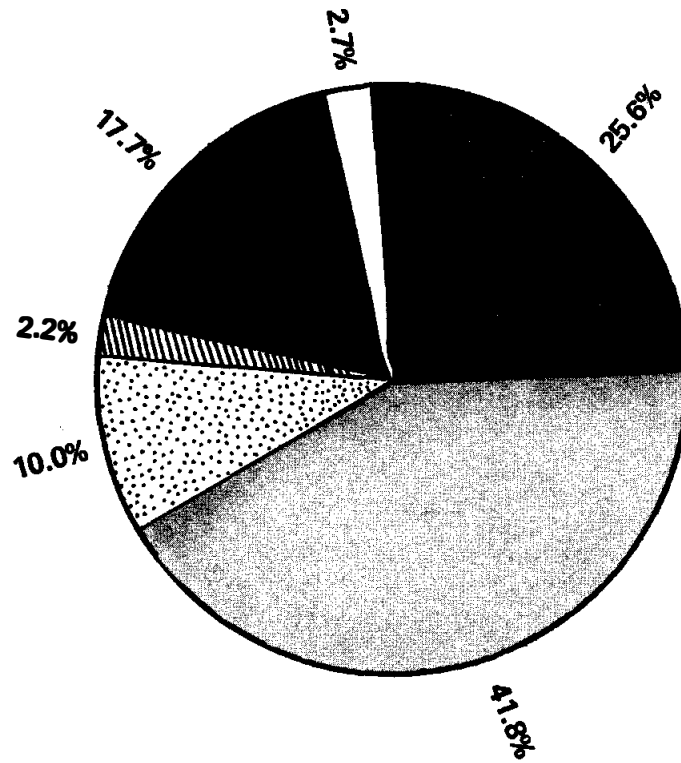
24

EXPLANATORY NOTES:

LOANS APPROVED, 1973 – 1977



**VALUE OF LOANS APPROVED BY
SECTORS, 1973 – 1977**



Fishing



Pig feed



Logging/Sawmilling



Livestock



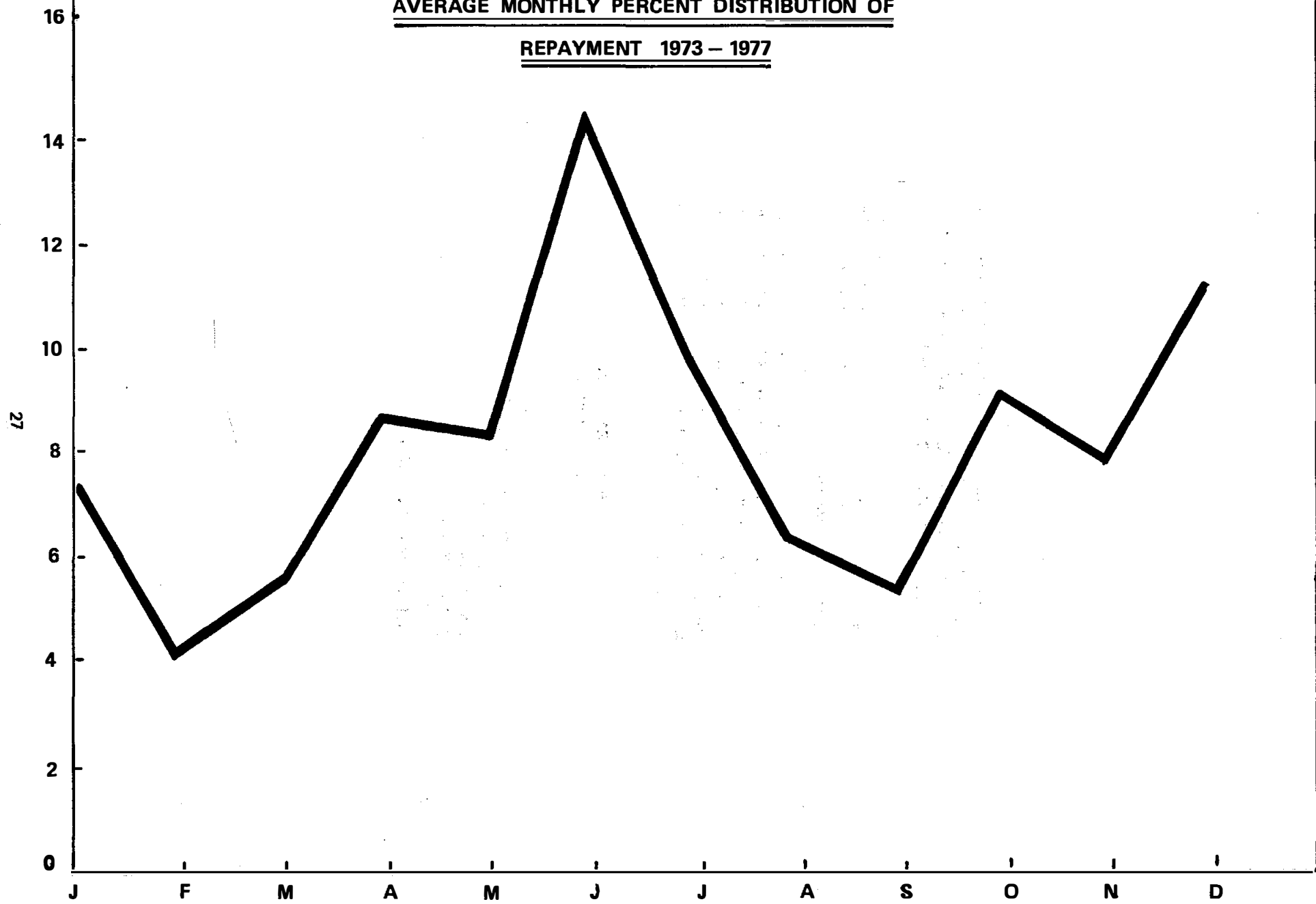
Arable & Tree Crops



Others

%

AVERAGE MONTHLY PERCENT DISTRIBUTION OF
REPAYMENT 1973 - 1977



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**REPORT OF THE AUDITOR GENERAL ON THE
ACCOUNTS OF THE GUYANA AGRICULTURAL
CO-OPERATIVE DEVELOPMENT BANK FOR THE
PERIOD ENDED 31st DECEMBER, 1977.**

I have examined the accounts set out on the attached pages 1-8 which are in agreement with the books of the Bank and have obtained all the information and explanations I have required.

2. . . . In my opinion these accounts which have been prepared on the historical cost basis of accounting give on this basis, a true and correct view of the state of affairs of the Bank at 31st December, 1977, and of the results of its operations for the period then ended in accordance with generally accepted accounting principles applied on a consistent basis

**R.P. FARNUM, A.A.
AUDITOR GENERAL.**

**OFFICE OF THE AUDITOR GENERAL,
121, PARADE STREET,
KINGSTON,
GEORGETOWN,
GUYANA.
DATED: 26th JUNE, 1978.**

BALANCE SHEET AS AT 31ST DECEMBER, 1977

		<u>1977</u>	<u>1976</u>		
1976	<u>LIABILITIES</u>			<u>ASSETS</u>	
	Authorised Share Capital	\$30,000,000.00		Cash at Bank and in hand (Note xxiv)	193,692.53
	<u>Issued & Fully Paid Shares</u>			Petty Cash Imprests	<u>2,312.41</u>
10,732,140	1,107,405 shares @ \$10. each (Note xiv)	11,074,050.00	170,153	(Note xxv)	196,004.94
112,475	5½% - 10 yr. Debentures (Note xv)	116,390.00	39,183	Prepayment (Note xxvi)	21,779.80
	<u>Loan Payable</u>		160,586	Accounts Receivable (Note xxvii)	178,544.31
6,000,000	Caribbean Development Bank (Note xvi)	7,849,472.00	1,527,648	Accrued Interest on Loan	2,019,215.63
			109,779	Contribution due from Ministry of Finance	322,242.78
			206,403	Add Deficit (Note xxix)	<u>763,593.13</u>
					1,085,835.91
1,500,000	Barclays Bank (Int) Ltd	1,500,000.00		Loans & Advances (Note xxx)	18,180,221.32
380,123	International Development Association (Note xviii)	806,498.77	14,878,936	Less Provision	<u>680,000.00</u>
Nil	Guyana Co-operative Insurance Service (Note xix)	<u>312,000.00</u>	180,000		17,500,221.32
29		10,467,970.77		Stock (Note xxxi)	37,765.26
	<u>Other Liabilities</u>		41,310	Stationery & Supplies (Note xxxiii)	40,238.26
74,659	Loan Interest Accrued (Note xx)	148,106.92	32,315	Investments (Note xxxiii)	699,472.00
89,952	Gratuity & Pension Scheme Provision (Note xxi)	155,587.03	1,648,859	Agricultural Project (Note xxxiv)	31,038.03
32,850	Leave Passage Provision (Note xxii)	55,990.00	133,215	Fixed Assets at Cost (Note xxxv)	1,170,504.82
444,251	Other Creditors (Note xxiii)	<u>639,439.36</u>	834,591	Less Depreciation	<u>340,786.20</u>
			236,530		829,718.62
			Nil	Other Assets (Note xxxvi)	17,700.00
		999,123.31			
		<u>\$ 22,657,534.08</u>			<u>\$ 22,657,534.08</u>


CHAIRMAN


MANAGING DIRECTOR

INCOME & EXPENDITURE ACCOUNT
FOR PERIOD ENDED 31ST DECEMBER, 1977

<u>1976</u>	<u>INCOME</u>		<u>TOTAL</u>
1,175,369	Interest on Loans & Advances	(Note I)	1,492,373.98
18,729	Default Charges	(Note II)	33,167.00
46,882	Appraisal & Other Fees	(Note III)	98,316.20
67,323	Income From Investments	(Note IV)	64,421.21
48,478	Rents & Other Income	(Note V)	<u>155,327.91</u>
			1,843,606.30
	<u>DEDUCT EXPENSES</u>		
574,805	Salaries & Other Staff		
	Benefits	(Note VI)	816,068.47
397,590	Interest Expenses	(Note VII)	604,418.34
467,159	Other Operating Expenses (including provisions below)	(Note VIII)	<u>1,044,635.86</u>
			<u>2,465,122.67</u>
	Leave Passage	(Note IX)	
	Bad Debts	(Note X)	
82,774	<u>OPERATING/DEFICIT</u>		(621,516.37)
116,414	Depreciation	(Note XI)	<u>150,306.51</u>
			771,822.88
	Less: Surplus on Disposal of Asset	(Note XII)	<u>8,229.75</u>
123,629	<u>DEFICIT</u>		<u>763,593.13</u>
	Transferred to Ministry of Finance	(Note XIII)	<u>763,593.13</u>

GUYANA AGRICULTURAL CO-OPERATIVE DEVELOPMENT BANK
EXPLANATORY NOTES ON
THE INCOME & EXPENDITURE ACCOUNT AND BALANCE SHEET – 1977

INCOME & EXPENDITURE ACCOUNT

G\$ INCOME		
1,492,373.98	(Note I)	Interest on Loans and Advances
		This represents interest on all loans calculated for period 1st January, 1977 to 31st December, 1977.
33,167.00	(Note II)	Default Charges
		This represents amounts charged to borrowers when their repayment schedules are not honoured within the prescribed time.
98,316.20	(Note III)	Appraisal and Other Fees
		This figure represents charges for appraisal of loan applications and other related charges.
64,421.21	(Note IV)	Income from Investments
		This figure represents the gain realised by investing excess short term funds.
155,327.91	(Note V)	Rents & Other Income
		This figure represents income from the rental of management services and other facilities.
G\$ EXPENSES		
816,068.47	(Note VI)	Salaries and Other Staff Benefits
		This figure represents salaries to all staff and includes ancillary benefits.
604,418.34	(Note VII)	Interest Expenses
		This represents interest payable to the following lending agencies:—
		(a) CARIBBEAN DEVELOPMENT BANK
		(b) INTERNATIONAL DEVELOPMENT ASSOCIATION
		(c) BARCLAYS INTERNATIONAL LIMITED
		(d) GUYANA CO-OPERATIVE INSURANCE SERVICE and also interest on Pension Scheme and Debentures.
1,044,635.86	(Note VIII)	Other Operation Expenses
		This represents all running costs of vehicles, equipment, stationery, rent, electricity, telephones, security, appraisals etc.
32,540.00	(Note IX)	Leave Passage
		This figure represents accrued benefits for 1977.

500,000.00 (Note X)

Bad Debts

Because of the nature of the Bank's operations and the accounting norms, it was decided that a sizable sum should be provided. However, to the end of 1977 it was not necessary to utilise this provision.

150,306.51 (Note XI)

Depreciation

A breakdown of this amount is as follows:—

	Rate	\$
Furniture & Fixtures	20 or 10%	21,005.87
Equipment & Machinery	10%	15,904.51
Motor Vehicles	25%	95,131.21
Leasehold Improvements	10%	4,665.00
Buildings	5%	13,599.92
		<hr/>
Total		150,306.51

8,229.75 (Note XII)

Surplus on Disposal of Assets

During 1977 it was necessary to dispose of two (2) motor vehicles which yielded a surplus.

263,593.13 (Note XIII)

Transferred to Ministry of Finance

This figure represents the 1977 deficit which, under the Co-operative Financial Institutions Act 1976 Section 50 (2), shall be changed to the Consolidated Fund.

G\$ LIABILITIES		BALANCE SHEET
11,074,050.00	(Note xiv)	<p>Share Capital</p> <p>The Share Capital Subscription is held solely by the Government of Guyana.</p>
116,390.00	(Note xv)	<p>5½% Debentures</p> <p>This figure represents investments of Leave Passage Assistance etc, by members of the public at an annual interest rate of 5½%.</p>
7,849,472.00	(Note xvi)	<p>Caribbean Development Bank</p> <p>This figure represents (a) the total drawdown of an approved loan of G\$6 m from the C.D.B. and (b) a drawdown on a further loan from the C.D.B.</p>
1,500,000.00	(Note xvii)	<p>Barclays Bank (Int.) Ltd.</p> <p>This figure represents a loan payable at the end of ten (10) years under the authority of the Public Loan Act 1973. The Rate of Interest is seven (7) per centum per annum, payable half-yearly on the twenty-fourth day of February, 1975 and ending on the twenty-fourth day of August, 1984.</p>
806,498.77	(Note xviii)	<p>International Development Association</p> <p>This figure represents Livestock Loans made available through the I.D.A. at an annual interest rate of 6%.</p>
312,000.00	(Note xix)	<p>Guyana Co-operative Insurance Service</p> <p>This figure represents a short-term loan made available through the G.C.I.S. at an annual interest rate of 6½%.</p>
148,106.92	(Note xx)	<p>Loan Interest Accrued</p> <p>This figure represents Interest at Balance Sheet date on Loans Payable not yet due.</p>
155,587.03	(Note xxi)	<p>Gratuity and Pension Scheme Provision</p> <p>This figure represents the employer and employee contributions to the Pension Scheme which commenced on 1st January, 1975, and interest earned thereon at the rate of 3½% per annum.</p>
55,990.00	(Note xxii)	<p>Leave Passage Provision</p> <p>This figure represents accrued benefits at Balance Sheet date.</p>
639,439.36	(Note xxiii)	<p>Other Creditors</p> <p>This figure represents amounts outstanding for machinery and equipment for the Bank's borrowers and stationery etc, for the Bank's use.</p>

G\$ ASSETS

193,692.53	(Note xxiv)	Cash in Bank and In Hand This figure represents cash collected on 31st December, 1977 and placed in night depositing and also cash held in Bank at Balance Sheet Date.
2,312.41	(Note xxv)	Petty Cash Imprests This figure represents cash and stamp imprests at Balance Sheet date.
21,779.80	(Note xxvi)	Prepayments This figure represents contracts for maintenance of Bank equipment, insurance etc paid in advance.
178,544.31	(Note xxvii)	Accounts Receivable This figure represents (a) Income from computer and other related services to the G.C.M.F.B. (b) Loans and Advances given to the Bank's staff (c) Amount due from Bank of Guyana for Livestock Project staff.
2,019,215.63	(Note xxviii)	Accrued Interest on Loans This represents amount owing by borrowers for interest accrued at Balance Sheet date.
763,593.13	(Note xxix)	Contribution due from Ministry of Finance See Note xiii.
18,180,221.32	(Note xxx)	Loans and Advances This amount represents loans outstanding out of a total approved sum of \$56,600,000. at Balance Sheet date.

North West District	\$ 342,794.89
Essequibo	2,173,538.86
Demerara	12,936,250.66
Berbice	1,669,080.87
Mazaruni/Potaro	32,572.10
Rupununi	<u>114,755.31</u>
SUB-TOTAL	17,268,992.69
Guyana Credit Corp.	<u>911,228.63</u>
TOTAL	<u>18,180,221.32</u>

37,765.26	(Note xxxi)	Stock This figure represents stock of spares for motor vehicles and pig feed stock.
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40,238.26 (Note xxxii) **Stationery and Supplies**

This represents value of stationery in stock at Balance Sheet date.

699,472.00 (Note xxxiii) **Investments**

This amount represents short-term 5.88% per annum fixed deposit accounts at the Guyana National Co-operative Bank and the Guyana Co-operative Mortgage Finance Bank.

31,038.03 (Note xxxiv) **Agricultural Project**

This amount represents expenditure on a farm project taken over by the GACDB. Any income that would accrue would be credited to this account.

1,170,504.82 (Note xxxv) **Fixed Assets**

This figure represents various types of Assets at cost less depreciation as follows:-

	COST	ACCUM. DEPREC.	BOOK VALUE
Furniture & Fixtures	144,759.34	63,203.37	81,555.97
Office Equipment & Machinery	160,063.49	52,021.14	108,042.35
Motor Vehicles	394,224.39	194,123.24	200,101.15
Land – Freehold	29.66	Nil	29.66
Buildings	301,957.44	31,438.45	270,518.99
Leasehold Improvements & Renovation.	156,636.62	Nil	156,636.62
Loose Tools	<u>12,833.88</u>	Nil	<u>12,833.88</u>
TOTAL	1,170,504.82	340,786.20	829,718.62

17,700.00 (Note xxxiv) **Other Assets**

This figure represents a boat that was taken over by the Bank.