

**MINISTRY PAPER No.:** \_\_\_\_\_

**PERFORMANCE OF THE JAMAICA EXOTIC FLAVOURS & ESSENCES  
COMPANY LIMITED FOR FINANCIAL YEAR 2006/2007 AND FOCUS FOR  
FINANCIAL YEAR 2007/2008**

**1.0 Purpose of Ministry Paper**

The purpose of this Ministry Paper is to inform Parliament and the public about the performance of Jamaica Exotic Flavours & Essences Co. Ltd. (JEFE) for the Financial Year 2006/2007 and its strategic focus for the Financial Year 2007/2008.

**2.0 Mission/Objective**

The mission of JEFE is the development of a local flavour industry that provides Jamaican farmers with an additional value added market.

The core objective of JEFE is to produce, from the domestic agricultural base, flavours, essences and purees that meet international quality standards, leading to the development of a viable local flavour industry and an additional market for Jamaican farmers.

**2.1 Vision**

The vision of JEFE is to be a model for the successful application of new and emerging technologies, by creating value added products from Jamaica's agricultural base and rich, unique biodiversity.

The vision will be achieved by:

- Providing an additional value added market for Jamaican farmers
- Promoting and facilitating private sector involvement in local natural flavour production as a viable business
- Facilitating the transfer of Spinning Cone Column Flavour Extraction Technology to Jamaicans, thereby developing local expertise and experience regarding flavour extraction processes
- Providing technical information for scientific research and development as well as product development

- Developing natural flavour standards for Jamaican fruits, vegetables and herbs
- Negotiating with international financial agencies, Government and non-governmental organizations (NGO's) to finance/part-finance the acquisition of flavour extraction and supporting equipments
- Having proactive leadership and motivated, excellence-oriented employees that strive to implement assigned policies as well as capitalize promptly on opportunities that are beneficial to the nation and company
- Meeting the company's financial objectives.

### **3.0 Background/Instrument of Establishment**

Due to globalization and the subsequent removal of tariff and non-tariff barriers to trade, the traditional production and marketing of domestic agricultural products are oftentimes uncompetitive. It is in this context that the need to improve the productive capacity of the agricultural sector through the appropriate adoption and application of improved technology was identified.

The latter, coupled with Jamaica's rich and unique biodiversity pointed to the development of an expanded and modern bio-extraction industry as a potentially viable option worth pursuing. This led to the initiation of the Spinning Cone Column Project in early 1996, and the subsequent formation of in December 2004 as an agency under the Ministry of Industry, Technology, Energy and Commerce.

Jamaica Exotic Flavours & Essences Co. Ltd. (JEFE) is ninety percent (90%) owned by the Government of Jamaica and was incorporated on December 14, 2004 under the Companies Act as a limited liability company. The company operates a flavour extraction plant located in Bull Savannah, St. Elizabeth. The plant buildings are leased, but JEFE owns the equipment.

At the heart of JEFE's operation is the flavour extraction unit, which consists of the Spinning Cone Column (SCC) along with supporting equipment and instrumentation. The SCC was supplied by Flavourtech, an Australian company which developed the technology approximately twenty (20) years ago.

Factory renovation and external works were completed within the projected timeframe on the March 23, 2006. Equipment installation was completed by early June 2006 and the commissioning of the equipment commenced on June 27, 2006.

## 4.0 Functions

- ♣• Manages and operates the flavour extraction plant at Bull Savannah, St. Elizabeth
- ♣• Supplies natural flavours, essences and purees at the most competitive rates to the local and international beverage and nutraceutical industries
- ♣• Develops products using the flavour extracts and purees
- ♣• Provides technical information for scientific research and development
- ♣• Provides an additional market for local farmers.

## 5.0 Key Achievements for Financial Year 2006/2007

### a. Installation and commissioning of equipment

The commissioning of the SCC was completed on the July 6, 2006 by Flavourtech.

### b. Technology Transfer

Key staff members, particularly the production manager, were trained in the operation of the SCC.

### c. Production Trial Runs

Based on the flavour requirements of the top fifty (50) flavour importing companies in Jamaica, ten (10) different products have been processed through the SCC. Nine (9) of the products have been well received in the market and three (3) have already been sold in limited quantities to a few select customers.

### d. Expansion

The additional pre-processing equipment required for commercialization of the flavour extraction process was identified, selected, put to tender and purchased.

### e. Strategic Partnerships:

Heads of Agreement were successfully negotiated with the Scientific Research Council (SRC) and Virginia Dare Ja. Ltd. to assist JEFE with product development and marketing, respectively. An alliance was also

forged with Firmenich Inc. USA, the 3<sup>rd</sup> largest flavour house in the USA, to assist with standards-development and export markets.

## **6.0 Summary of Operational Plan for Financial Year 2007/2008**

- Acquire and install the pre-processing equipment required to support the SCC for commercial production levels
- Bring to market in commercial quantities, at least one (1) of the trial run products developed in Financial Year 2006/2007
- Achieve commercial production levels in the range 6,000 kg. to 22,500 kg. weekly by year-end
- Continue research and development work on products requested by clients who possess the required infrastructure to use or market commercial quantities
- On commercialization, strengthen human resources by employing an SCC operator and a marketing representative.

## **8.0 Budget for the Financial Year 2006/2007 and Projected Expenditure for Financial Year 2007/2008**

The expenditure for the fiscal year ending March 2007 is J\$8,817,564. The projected expenditure for Financial Year 2007/2008 is J\$35,000,000.

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**Phillip Paulwell**  
**Minister**  
**Ministry of Industry, Technology, Energy & Commerce**  
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