

Jamaica

Blue Mountain Coffee Development Project



Coffee bean dryer

Outline of Loan Agreement

Loan Amount / Disbursed Amount	5,941 million yen / 5,482 million yen
Loan Agreement	April 1984
Terms & Conditions	Interest rate 4.25% p.a. Repayment period 25 years (Grace period 7 years)
Final Disbursement Date	April 1997

Project Outline

The project included the establishment of coffee farms in the Blue Mountain range in eastern Jamaica and the expansion of processing facilities, targeting improved coffee productivity and contributing to increased farm income and export revenue.

Results and Evaluation

The coffee farms developed under this project sustained catastrophic damage as a result of the huge hurricane that hit Jamaica in September 1988 and were also affected by the economic crisis of 1991, thus the targeted establishment of 3,500 acres was completed in 1995, seven years behind schedule. The construction of coffee processing facilities was similarly delayed and was finally completed in 1997, 10 years behind schedule. These delays rendered it necessary to review the project scope, resulting in coffee processing facilities being scaled back, however, in terms of the development of social infrastructure for the farms, although road construction was completed as planned, the construction of public facilities, including housing and schools, was ultimately excluded from the project. With regard to coffee cultivation after project completion, flood damage in 1998 resulted in a decrease in the area under cultivation to 2,250 acre in 1999, and productivity has also failed to meet projected levels. Nevertheless, the share of coffee exports occupied by Blue Mountain coffee is increasing, which is considered to have made a reasonable contribution to foreign capital acquisition. There have been no problems in terms of the operation and maintenance of the farms and processing facilities to date. However, given that agricultural developments in the region are prone to damage due to natural disasters, it is hoped that a comprehensive study will be undertaken since it is assumed that future projects will be similarly at risk.