

ANNUAL REPORT AND AUDITED FINANCIAL STATEMENTS OF THE  
AGRO-INVESTMENT CORPORATION  
FOR THE YEAR ENDED MARCH 31, 2012

The matter for tabling in the Houses of Parliament is the Annual Report and Audited Financial Statements of the Agro-Investment Corporation (Agro-Invest) for the year ended March 31, 2012. The report is being tabled in accordance with Section 17 (2) of the Agro-Investment Corporation Act.

## 2. OVERVIEW

The Agro-Investment Corporation was formed in 2009 upon the merger of the Agricultural Development Corporation (ADC) and the Agricultural Support Services Project (ASSP).

Agro-Invest is the arm of the Ministry of Agriculture and Fisheries which has as its mission the mobilisation, financing and facilitation of investment in the agricultural sector, while undertaking agricultural development for the enhancement of the economic well-being of the Jamaican people. Its services cover the investment chain from the identification of opportunities through feasibility studies, due diligence and business planning to identifying finance, project management, long term business performance monitoring and technical support.

The Corporation is located at the AMC Complex, 188 Spanish Town Road.

## 3. MANAGEMENT OF STATE-OWNED ASSETS

Over the period under review, Agro-Invest engaged in several productive activities to enhance the utilisation and operational efficiency of state owned assets, including:

### **Amity Hall Farm**

- i. A total of 273 hectares was brought under agricultural production through engagement of 27 Investors. This resulted in the employment of 147 workers.
- ii. Approximately \$1.5 million was realised from the sale of 1,623 tonnes of hay at \$921.66 per tonne during the reporting period. This sale of hay represents a 44% increase over the prior year (2011- 1,125 tonnes).
- iii. Of note, the operations moved from a surplus of J\$165,937 to J\$415,293, which indicates a 150% increase in profits over the previous year.

### **Ebony Park/Spring Plain/New River**

- i. Agro-Invest facilitated 237.5 hectares at Ebony Park/Spring Plain being brought under production. This resulted in the employment of an estimated 295 workers and production/harvest of 723 tonnes of agricultural produce.

### **Rhymesbury**

- i. The development of the small ruminant industry was facilitated with the establishment of a 600 head herd on the property. The herd was valued at \$8.6 million and managed among eight (8) farmers.

- ii. Agro-Invest undertook further industry development activities including investment and market promotions, including workshops, seminars, brand awareness and product tasting events.

### **Minard**

- i. The role of Minard Estate is to develop the livestock industry specifically in the improvement and expansion of the three (3) native/national beef breeds, i.e. Jamaica Brahman, Jamaica Red and Jamaica Black.  
At the end of the financial year, 695 saleable animals were on the farm with a market value of \$37.9M.
- ii. The pasture management activities included the planting of 49 hectares of grass, resuscitation of 50 hectares and cleaning of 133 hectares. Repairs were effected to 56.05 kilometres of fence.
- iii. A Performance Test programme was done to introduce producers to proper bull development and breeding management required for good sire selection and improving the value of bulls marketed. The 26 native breed bulls included in the programme were subsequently sold to farmers for the purpose of upgrading their herds.
- iv. The Estate participated in several livestock shows and exhibitions including the Denbigh Agricultural & Livestock Show (August 2011) and the Hague Agricultural Show (Ash Wednesday 2012). At the Denbigh show, Minard earned five cups and one trophy for its livestock showings.
- v. The Annual Minard Livestock Show and Beef Festival was held on November 10, 2011. Approximately 7,000 students from 100 schools patronised the event.

### **Agricultural Marketing Corporation (AMC)**

- i. The AMC continued to play a pivotal role in facilitating the marketing of non-traditional agricultural produce by ensuring that there is cost effective marketing infrastructure to enable producers and exporters to access and compete in domestic and foreign markets. The facilities available include warehouse space, chill room space, plug-in systems, and office space.
- ii. At the end of the reporting period, occupancy rate of the warehouse and office facilities was 86%. The complex accommodated 37 tenants which included agro-processors, exporters and distributors.

## **4. INVESTOR IDENTIFICATION AND FACILITATION**

- i. **Business facilitation** activities resulted in eight (8) business plans being approved for a total of J\$25.74M in loans from the National People's Cooperative Bank. Additionally, 594 individuals were employed to projects implemented through grants provided by Agro-Invest.

- ii. **Development of Industries** – Agro-Invest continued to play a strategic role in the development of industries including yam, pineapple, rice and sheep. Investments were channelled into various industries by the following means:
  - a. Yam – An industry development plan was formulated to address the commercial production of clean planting material, development of the value chain and implementation of protocols to satisfy the US Food Safety Modernisation Act.
  - b. Pineapple – Industry development plans were prepared, production trials were conducted, and investors were provided with a shipment of 198,000 plantlets.
  - c. Rice – For the 2012 review year, 278 tonnes of rice were harvested from 103 hectares. A 200 hectares seed bank was created to ensure the expansion and sustainability of local production. Furthermore, over 100 farmers and 30 extension officers were trained in paddy cultivation. Agro-Invest also facilitated the formation of the Jamaica Rice Farmers’ Association which will provide services to promote industry development.
  - d. Sheep – At the end of the 2011 fiscal year it was projected that over 8,300 heads of sheep were in the industry with an estimated market value of \$117M.
- iii. **Agricultural Grant Funding** – Agro-invest facilitated the injection of approximately J\$400M of European Union grant funds into the agricultural sector. These funds were mobilised for the purposes of procuring equipment and machinery, providing training and developing infrastructure.
- iv. **Glut Management Fund** – The \$50M Fund is geared at purchasing fresh produce in bulk for storage when there is an oversupply. The Fund acts as a revolving loan scheme providing processors and suppliers access to finances at single-digit interest rates.
- v. **Management of the Agricultural Development Fund** – The Fund ensures food security and the provision of a sustainable source of financing to support development in the sector. During the review period \$42.7M was received and \$67.9M disbursed to facilitate the renovation of the Trelawny Yam House and construction of the Hounslow Post Harvest Facility in St. Elizabeth, the Market in St. Mary and the Pepper/Escallion Mash Facility in St. Catherine.
- vi. **Project Management** – Agro-Invest managed three projects during 2011-2012 fiscal year, namely:
  - a. Agricultural Competitiveness Programme (ACP), a US\$15M IDB-funded project, is expected to identify, promote and develop the most competitive commodities along the value chain.
  - b. Agro Park Development projects seek to attract entrepreneurs to the implementation of four (4) integrated agricultural systems. Pre-feasibility assessments were conducted and individual park development plans were prepared.

## 5. FINANCE

Agro-Invest ended the 2011-2012 fiscal year with a surplus of \$13.8m representing improvement from a \$29.3M shortfall in the previous year. The Corporation attributed this to a 108% increase in Other Income (J\$7.8M), in particular the lease payments (\$1.6M) and service charges for business plan preparation (\$6.9M). The surplus was also as a result of a 16.78% reduction in administrative expenses (J\$15.8M). Other sources of income included Government subvention (\$42.0M) and funds transferred from Agricultural Support Services and Productive Fund Limited (\$32.0M).

## 6. SALARIES AND EMOLUMENTS

The salaries and emoluments of the senior executives and compensation of directors for the period are included at appendices I and II respectively.

## 7. AUDITOR'S REPORT

The accounts for the period under review were audited by Lee Clarke Chang Chartered Accountants. They have stated that in their opinion, the financial statements gave a true and fair view of the financial position of the Corporation as at March 31, 2012, and of the financial performance and cash flows of the Corporation for the year then ended, in accordance with International Financial Reporting Standards.

8. The Annual Report and Audited Financial Statements of the Agro-Investment Corporation for the year ended March 31, 2012 are hereby submitted to be tabled in the Houses of Parliament in accordance with Section 17 (2) of the Agro-Investment Corporation Act.



Derrick Kellier

Minister of Agriculture, Labour and Social Security

File No. 12/1/34

January 7, 2015

## Appendix I

2011-2012

## DIRECTORS' COMPENSATION

Position of Director	Fees (\$)	Motor Vehicle Upkeep/Travelling or Value of Assigned Motor Vehicle (\$)	Honoraria (\$)	All Other Compensation including Non-Cash Benefits as applicable (\$)	Total (\$)
Chairman 1	24,500.00	-	-	10,497.73	34,997.73
Chairman 2 <sup>1</sup>	24,500.00	-	-	10,497.73	34,997.73
Director 2	16,500.00	-	-	10,497.73	26,997.73
Director 3	11,000.00	-	-	10,497.73	21,497.73
Director 4	5,500.00	-	-	10,497.73	15,997.73
Director 5	22,000.00	-	-	10,497.73	32,497.73
Director 6	5,500.00	-	-	10,497.73	15,997.73
Director 7	5,500.00	-	-	10,497.73	15,997.73
Director 8	5,500.00	-	-	10,497.73	15,997.73
Director 9	5,500.00	-	-	10,497.73	15,997.73
Director 10	5,500.00	-	-	10,497.73	15,997.73
<b>Total</b>	<b>131,500.00</b>	<b>-</b>	<b>-</b>	<b>115,475.03</b>	<b>246,975.03</b>

## Note

1. During the 2011-12 financial year, the AgrolInvestment Corporation Board was changed resulting in the appointment of a new chairman.

Appendix II

2011-2012

SENIOR EXECUTIVES' COMPENSATION

Position of Senior Executive	Salary (\$)	Gratuity or Performance Incentive (\$)	Travelling Allowance or Value of Assigned Motor Vehicle (\$)	Pension or Other Retirement Benefits (\$)	Other Allowances (\$)	Non-Cash Benefits (\$)	Total (\$)
Chief Executive Officer	4,816,656.00	-	796,500.00	-	-	-	5,613,156.00
Director, Joint Venture	3,111,108.00	-	796,500.00	-	-	-	3,907,608.00
Director, Project Development	3,111,108.00	-	796,500.00	-	-	-	3,907,608.00
Director, Human Resources	3,111,108.00	-	796,500.00	-	-	-	3,907,608.00
<b>Total</b>	<b>14,149,980.00</b>	<b>-</b>	<b>3,186,000.00</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>17,335,980.00</b>