

ANNUAL REPORT AND AUDITED FINANCIAL STATEMENTS OF THE  
AGRO-INVESTMENT CORPORATION  
FOR THE YEAR ENDED MARCH 31, 2014

1. 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, 2014. 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 of 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:

**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, 721 saleable animals were on the farm with a market value of \$47M.
- ii. The pasture management activities included the repair and erection of 3,480m and 51,720m of fence respectively.
- iii. The Estate participated in several livestock shows and exhibitions including the Denbigh Agricultural & Livestock Show (2013) and the Hague Agricultural Show (2014).

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

- i. The AMC facilitated the marketing of non-traditional agricultural produce through the provision of cost effective, strategically located marketing infrastructure to producers and exporters. The facilities included warehouse space, chill room space, plug-in systems, and office space.
- ii. During the 2013-2014 review period, there was a 54% occupancy level. This represented a decline in usage resulting from renovations to the main warehouse to meet the Food Safety Modernisation Act (FSMA) standards.

## **2. INVESTOR IDENTIFICATION AND FACILITATION**

- i. **Seven (7) Agro Parks** have been established and are engaged in production at Plantain Garden River, Amity Hall, Hill Run, Ebony Park, Spring Plain, Yallahs and New Forest/Duff House. Expenditure on the above Agro Parks has been estimated at over \$500 million. Output at the parks has contributed over 250 tonnes of produce and 11.53 hectares of pond fish yield. It is anticipated that two (2) more parks are to come on stream, including a small ruminant abattoir.
- ii. **Business facilitation** activities resulted in the:
  - a. implementation of Diageo/Red Stripe's Project Grow for Cassava;
  - b. negotiations to transfer 161.94 ha of land in Goshen St. Elizabeth to Agro Invest
  - c. loan facilitation for onion production in Old Harbour and contract arrangements for marketing of onions produced on Agro Parks
  - d. promotion of investment opportunities at key events including JAMPRO's Jamaica-China Business & Investment Seminar and Eat Jamaica Campaign 10<sup>th</sup> Anniversary Celebrations.

## **3. FINANCE**

Agro-Invest ended the 2013-2014 fiscal year with a profit of \$4.86M. This represents a 138% increase in net profit in comparison to the prior year's deficit (2013, -\$12.96M). The rise may be attributed primarily to increases in the allocations of Government grants (\$72.9M) and subvention (\$59.3M), as well as reduction in provision for impairment (\$16.2M).

Despite the heavy injection, the corporation operated at deficit of \$54.44M resulting from a 223% rise in expenditure on agricultural development projects.

## **4. 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.

## 5. 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, 2014, and of the financial performance and cash flows of the Corporation for the year then ended, in accordance with International Financial Reporting Standards.

The Auditors, however, issued a qualified opinion stating that Agro-Invest had not complied with the International Accounting Standard (IAS) 19 'Employee Benefits' which requires that a defined benefit pension plan be valued by an actuary and recognised in the financial statements.

6. The Annual Report and Audited Financial Statements of the Agro-Investment Corporation for the year ended March 31, 2014 are hereby submitted to be tabled in the Houses of Parliament in accordance with Section 17 (2) of the Agricultural Development Corporation Act.



Derriek Kellier

Minister of Agriculture, Labour and Social Security

File No. 12/1/34

January 7, 2015



Appendix 1

2013-2014

**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	84,400.00	-	-	21,581.25	105,981.25
Director 1	44,250.00	-	-	21,581.25	65,831.25
Director 2	52,875.00	-	-	21,581.25	74,456.25
Director 3	22,875.00	-	-	21,581.25	44,456.25
Director 4	8,250.00	-	-	21,581.25	29,831.25
Director 5	16,500.00	-	-	21,581.25	38,081.25
Director 6	8,250.00	-	-	21,581.25	29,831.25
Director 7	8,250.00	-	-	21,581.25	29,831.25
<b>Total</b>	<b>245,650.00</b>	<b>0.00</b>	<b>-</b>	<b>172,650.00</b>	<b>418,300.00</b>

Appendix II

2013-2014

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	5,457,000.00	-	81,310.00	-	-	-	5,538,310.00
Director, Joint Venture	2,063,219.69	-	569,170.00	-	-	-	2,632,389.69
Director, Project Development	3,658,315.09	-	975,720.00	-	-	-	4,634,035.09
Director, Accounts	2,769,325.79	-	668,240.00	-	-	-	3,437,565.79
<b>Total</b>	<b>13,947,860.57</b>	<b>-</b>	<b>2,294,440.00</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>16,242,300.57</b>

Notes

The absence of the Human Resource Director from the Senior Executive Compensation table was as a result of budgetary/financial constraints that the Corporation was experiencing during the specified period.