

ANNUAL REPORT AND AUDITED FINANCIAL STATEMENTS OF THE
JAMAICA DAIRY DEVELOPMENT BOARD
FOR THE YEAR ENDED MARCH 31, 2010

1. The matter for tabling in the Houses of Parliament is the Annual Report and Audited Financial Statements of the Jamaica Dairy Development Board (JDDB) for the year ended March 31, 2010. The report is being tabled in accordance with Section 13 (2) of the Jamaica Dairy Development Board Act.

2. OVERVIEW

The Jamaica Dairy Development Board began operations in September 1999 as a project within the Ministry of Agriculture & Fisheries. However, it became a Statutory Body in 2009 with enactment of the legislation and assent by the Governor General. The JDDB envisions creating an internationally competitive milk producing sector, which contributes significantly to national wealth creation and food security through increased food self-sufficiency, while providing opportunities for sustainable livelihoods for the broad mass of small farmers who constitute the rural sector.

The Core Functions of the Board, toward the realization of this vision, were defined by the Minister as follows:

1. Development of a programme for capacity building within the dairy sector;
2. Management of the trade (internal and external) in dairy products;
3. Satisfying the requirements, and protecting the rights of the consumer;
4. Provision of policy guidance on matters relating to the dairy sector;
5. Gathering, analysis and dissemination of relevant information.
6. Development of programmes for ensuring the sustained financial viability of the Dairy Board in the execution of its mandate.

3. INDUSTRY REVIEW

Milk production in fiscal year 2009-2010 declined 3.1 per cent below that of the previous fiscal year. This decline may be attributed to the significant fall in production at WINDALCO, which accounts for nearly a quarter of national output. The effect of the WINDALCO fallout on national output was exacerbated by the prolonged severe drought experienced for much of the last three quarters of fiscal year 2009-2010.

4. MAJOR ACTIVITIES OF THE DAIRY BOARD

The major activities of the Board in fiscal year 2009-2010 are the organisational development initiatives and the Dairy Sector Revitalization Programme (DSRP).

i. Organisational Development

At the heart of JDDDB's organisational development programme is the formulation of policies to guide the sector's modernisation and competitiveness development efforts. Policies of note were the Rationalization of the School Feeding Programme and the draft Medium-Term Policy Framework for the Cattle Sector. At the end of the fiscal period, the Board was awaiting comments from the Ministry of Agriculture & Fisheries and industry ratification for these policy documents.

The Board also undertook capacity building initiatives for dairy sector stakeholders. A total of \$60 million was obtained for budgetary support for DSRP. Additionally, loan support was given to 10 dairy farms/farmers to assist with breeding stock and pasture rehabilitation. Pasture and cost of production surveys, along with a \$3m grant for Pre-project cluster management consultancy and the construction of milking byre-cum-milk chilling facility at Enfield, St. Mary were flagship activities within the review period as well.

ii. Dairy Sector Revitalization programmes

The Dairy Sector Revitalization Programme (DSRP) was designed with the primary objective of stimulating improved production efficiencies in Jamaica's dairy and beef cattle industries. The major component of the DSRP has been a concessionary loan facility aimed at providing working capital support for pasture rehabilitation and herd improvement. Loans are disbursed through the Development Bank of Jamaica (DBJ)/Peoples' Cooperative (PC) Bank network and is available to both dairy and beef producers, at an annual interest rate of 4% to a maximum of \$2.5 million per beneficiary. As at March 2010, 42 loans had been approved totalling \$65.5 million.

5. FINANCE

The JDDDB ended its inaugural fiscal year, 2009-2010, as a statutory body with a profit of \$27.6 million. Income for the year comprised only of Government subvention amounting to \$62.73M. The capital injection was used to finance General Administration expenditure of \$35.2 million (56.1% of income). The release from reserves, totalling \$814,858 shored up the organisation's Total Comprehensive Income for the period to \$28.4M.

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 BDO Chartered Accountants. They have stated that in their opinion, the financial statements gave a true and fair view of the financial position of the Board as at March 31, 2010, and of the financial performance and cash flows of the Board for the year then ended, in accordance with International Financial Reporting Standards.

The Auditors, however, issued a qualified opinion stating that they were unable to satisfy themselves as to the recoverability of long term receivables in the Jamaica Dairy Development Board's records. Additionally, the Auditors were unable to obtain independent confirmation of the balances of receivables.

8. The Annual Report and Audited Financial Statements of the Jamaica Dairy Development Board for the year ended March 31, 2010 are hereby submitted to be tabled in the Houses of Parliament in accordance with Section 13 (2) of the Jamaica Dairy Development Board Act.



Derrick Keller, C.D., M.P.

Minister of Agriculture, Labour and Social Security

October 29, 2015

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Appendix 1

DIRECTORS' COMPENSATION 2010

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	76,000.00				76,000.00
Director 1	33,000.00				33,000.00
Director 2	49,500.00	29,470.00			78,970.00
Director 3	27,500.00				27,500.00
Director 4	44,000.00				44,000.00
Director 5	44,000.00	8,400.00			52,400.00
Director 6	22,000.00				22,000.00
Director 7	22,000.00				22,000.00
Director 8	27,500.00				27,500.00
Director 9	44,000.00				44,000.00
	5,500.00				5,500.00
Total	395,000.00	37,870.00			432,870.00

*Notes: The total allocated figure for Motor vehicle upkeep/travelling paid to Directors and listed above has been included in Staff Cost on the Audited Financial Statement of 2010 (pg. 16) and included in the amount listed as Other Benefits.

Appendix II

SENIOR EXECUTIVES' COMPENSATION 2010

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	3,661,000.08	915,910.34	796,500.00	-	-	-	5,373,410.42
Programme Coordinator	2,700,000.00	-	420,000.00	-	-	-	3,120,000.00
Milk Production Specialist	1,817,613.96	451,798.49	420,000.00	-	-	-	2,689,412.45
Marketing Economist	1,817,613.96	-	420,000.00	-	-	-	2,237,613.96
TOTAL	9,996,228.00	1,367,708.83	2,056,500.00	0.00	0.00	0.00	13,420,436.83