

ANNUAL REPORT AND AUDITED FINANCIAL STATEMENTS OF THE
AGRO-INVESTMENT CORPORATION
FOR THE YEAR ENDED MARCH 31, 2015

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, 2015. 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 the identification of funding, 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.
- ii. The pasture management activities included the repair and erection of 4,627 m and 503 m of fence respectively.
- iii. The Estate participated in several livestock shows and exhibitions including the Denbigh Agricultural & Livestock Show (August 2014) and the Hague Agricultural Show (February 2015).
- iv. In November 2014, the Estate hosted its self-titled Minard Livestock Show and Beef Festival where opportunities in agriculture were promoted and the National Identification and Traceability System of the MOAF's Veterinary Services division was launched.

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 include warehouse space, chill room space, plug-in systems, and office space.
- ii. At the end of the reporting period, 100% of warehouse space and 88% of office space were leased.

4. INVESTOR IDENTIFICATION AND FACILITATION

- i. **Agro Parks** — To date nine (9) Agro Parks have been established. The Agro Parks engaged in production are Plantain Garden River, Amity Hall, Hill Run, Ebony Park, Spring Plain, Yallahs, and New Forest/Duff House. The two (2) most recent additions, Meylersfield and Sweet River (Multispecies Abattoir) extend beyond production into agro processing and the slaughtering of animals.

Infrastructure expenditure on the nine parks to date has been estimated at over \$694 million. Based on records, the Agro-Parks have contributed over 1,546 tonnes of produce and 34.5 tonnes of pond fish to national output during the 2014-2015 review period.

- ii. **Youth in Agriculture** initiatives included the allocation of 40.47 ha in Spring Plain for 20 beneficiaries. Irrigation infrastructure was installed to facilitate production by the beneficiaries.
- iii. **Business facilitation** activities resulted in the:
 - a. Re-commissioning of the Wallens Well in St. Catherine through facilitation of a partnership between Red Stripe and the National Water Commission;
 - b. Development of five (5) business plans totaling J\$362.64M in investment outlay;
 - c. Development of three (3) project proposals with projected investments valued at \$664.97M. The project proposals are as follows:
 - i. Unity Nonsuch Agro Park Project Proposal (IDB) -\$459.61M
 - ii. Hounslow/Spring Ground Agro Park (IDB) - \$137.13M
 - iii. Youth in Agriculture Project Proposal (Petro Caribe) - \$68.23M

5. FINANCE

Agro-Invest ended the 2014-2015 fiscal year with a deficit of \$8.77M. This represents a 135% decrease in net profit in comparison to the prior year's profit (2014, \$24.77M). The loss may be attributed primarily to the absence of Government grants (2014, \$72.9M) and decreases in 'Other Income' by \$18.04 M (-48.75%). Agro-Invest, however, realised increases in revenue

by \$1.18M (8.46%) to \$15.12M (2014 - \$13.94M) and benefitted from a Government subvention increase of \$12.24M (20.63%) to \$71.54M (2014 - \$59.3M).

After adjusting the net income to include re-measurement of employee benefits as well as changes in the fair value of biological and available-for-sale assets, the total comprehensive deficit widened to \$9.23M. The loss represents a 126.9% decrease from the previous year's total comprehensive surplus of \$34.31M.

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, 2015, 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, 2015 are hereby submitted to be tabled in the Houses of Parliament in accordance with Section 17 (2) of the Agro-Investment Corporation Act.



Derick Kellier, C.D., M.P.

Minister of Agriculture and Fisheries

November 19 , 2015

File No. 12/1/34

Appendix I

2014-2015

DIRECTORS' COMPENSATION

Position of Director	Fees (\$)	Motor Vehicle Upkeep/Traveling or Value of Assigned Motor Vehicle (\$)	Honoraria (\$)	All Other Compensation including Non-Cash Benefits as applicable (\$)	Total (\$)
Chairman 1	9,500.00	-	-	-	9,500.00
Chairman 2	40,500.00	-	-	-	40,500.00
Director 3	12,500.00	-	-	-	12,500.00
Director 4	7,000.00	-	-	-	7,000.00
Director 5	20,500.00	-	-	-	20,500.00
Director 6	20,500.00	-	-	-	20,500.00
Director 7	38,500.00	-	-	-	38,500.00
Director 8	31,500.00	-	-	-	31,500.00
Director 9	24,500.00	-	-	-	24,500.00
Director 10	17,000.00	-	-	-	17,000.00
Total	222,000.00	-	-	-	222,000.00

Appendix II

2014-2015

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	-	7820000	-	-	-	13,277,000.00
Director, Agro Park	3,536,948.00	-	975720	-	-	-	4,512,668.00
Director, Project Development	3,745,004.00	-	975720	-	-	-	4,720,724.00
Director, Accounts	2,081,981.92	-	514500	-	-	-	2,596,481.92
Senior Internal Auditor	3,120,837.00	-	975720	-	-	-	4,096,557.00
Total	17,941,770.92	-	11,261,660.00	-	-	-	29,203,430.92

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.