

MINISTRY PAPER 22/17

**ANNUAL REPORT AND AUDITED FINANCIAL STATEMENTS OF THE
JAMAICA DAIRY DEVELOPMENT BOARD
FOR THE YEAR ENDED MARCH 31, 2014**

The matter for tabling in the Houses of Parliament is the Annual Report and Audited Financial Statements of the Jamaica Dairy Development Board (JDDDB) for the year ended March 31, 2014. This report is being tabled in accordance with the provisions of 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 (MOA). However, it became a Statutory Body with the enactment of legislation in 2009. The JDDDB envisions creating an internationally competitive milk producing sector, which contributes significantly to enhanced 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.

3. STATUS OF ANNUAL REPORTS

The Board recognises that it is not compliant in filing its Annual Reports and Audited Financial Statements since 2009. In 2013, the Auditor General's Department was approached to approve the utilization of the services of external auditors. However, without an accountant on the Board's establishment, accounting services has had to be shared with the Accounting Department of the Ministry of Industry, Commerce, Agriculture and Fisheries. The Board has submitted its annual report for the year ended March 31, 2015 and this report is expected to be forwarded to Parliament by the end of March 2017.

4. INDUSTRY REVIEW

A total of 12.5 million litres of milk was sold during the 2013-2014 review period (see Table 1 below). Milk production in fiscal year 2013-2014 declined by 2.41 per cent (309,179 litres) below that of the previous year.

**Table 1.
Quarterly & Annual Milk Purchases (Litres) for fiscal years 2011/12-2013/14**

Fiscal year	Apr-Jun	Jul-Sep	Oct-Dec	Jan-Mar	Year Total
2011-'12	3,233,352	3,124,953	3,017,962	3,102,649	12,478,916
2012-'13	3,558,521	3,172,514	3,234,576	2,884,071	12,849,682
2013-'14	3,233,153	3,174,254	3,048,581	3,094,515	12,540,503

5. MAJOR ACTIVITIES OF THE DAIRY BOARD

The major activities of the Board in fiscal year 2013-2014 were the Improvement Feeding Management of Dairy Herds Programme, the Dairy Herd Milk Recording Activity and the Embryo Transplant Programme.

i. Programme to improve Feeding Management of Dairy Herds

The Improve Feeding Management of Dairy Herds Programme is a strategic objective of the JDDDB to improve herd productivity. The Ministry of Industry, Commerce, Agriculture and Fisheries' Research and Development Division, proposed contingency measures to mitigate the adverse effect of drought in specific areas by producing and supplying hay from facilities at Bodles and Hounslow. Implementation of this programme will receive further technical assistance from JDDDB.

ii. Dairy Herd Milk Recording Programme

The Dairy Herd Milk Recording Activity allows for the generation of reports that provides information for management to make critical decisions about their herd and supports genetic analyses of individual animals.

The Programme is done in collaboration with the North Carolina State University (NCSU) and the Dairy Records Management Systems (DRMS) of the Dairy Herd Improvement Association (DHIA) of the USA. The resumption of a National Milk Recording Programme is continuing an activity critical to the genetic improvement of the dairy cattle population.

iii. Embryo Transplant Programme

The JDDDB has recognized the need for greater numbers of dairy animals with improved genetic merit for milk production and has imported fifty (50) Jersey embryos through its Dairy Sector Revitalization Programme. The objectives of the Embryo Transplant Programme are two- fold:

- To develop local competence in embryo development techniques.
- To utilize the technique to augment the process of expanding the dairy cattle population in Jamaica.

6. FINANCE

The JDDDB ended its 2013-2014 fiscal year with a surplus of \$42.42 million. The Board's surplus represented a reduction of \$10.01 million below the prior year. The revenues were generated primarily from the dairy products cess, amounting to \$62.14 million (reflecting an increase of 14.46% over the previous year) and Government subvention which declined by 20.52% to \$20.5 million.

7. SALARIES AND EMOLUMENTS

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

8. 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, 2014, and of the financial performance and cash flows of the Board for the year then ended, in accordance with International Financial Reporting Standards and comply with the requirements of The Jamaica Dairy Development Board Act.

9. The Annual Report and Audited Financial Statements of the Jamaica Dairy Development Board for the year ended March 31, 2014 are hereby submitted to be tabled in the Houses of Parliament in accordance with the provisions of Section 13 (2) of the Jamaica Dairy Development Board Act.



Karl Samuda, C.D., M.P
Minister of Industry, Commerce, Agriculture and Fisheries
March 15, 2017

Appendix I

DIRECTORS' COMPENSATION 2013-2014

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	104,500.00	-	-	-	104,500.00
Board Member 1	38,500.00	-	-	-	38,500.00
Board Member 2	55,000.00	-	-	-	55,000.00
Board Member 3	27,500.00	-	-	-	27,500.00
Board Member 4	44,000.00	-	-	-	44,000.00
Board Member 5	44,000.00	-	-	-	44,000.00
Board Member 6	16,500.00	-	-	-	16,500.00
Board Member 7	11,000.00	-	-	-	11,000.00
Board Member 8	44,000.00	-	-	-	44,000.00
Board Member 9	5,500.00	-	-	-	5,500.00
Total	390,500.00				390,500.00

Notes:

1. The total allocation figure for motor vehicle upkeep/travelling paid to Directors has been included in the Audited Financial Statement of 2014 Page 19.

Appendix II

SENIOR EXECUTIVES' COMPENSATION 2013-2014

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 (w.e.f.05/2013)	4,036,429.00		975,720.00	-	-	-	5,012,149.00
Project Coordinator	2,889,000.00		514,800.00	-	-	-	3,403,800.00
Farming Systems Specialist	1,314,677.58		300,300.00	-	-	-	1,614,977.58
Marketing Economist	2,170,509.00		471,625.00				2,642,134.00
TOTAL	10,410,615.58		2,262,445.00	-	-	-	12,673,060.58

Notes

1. The farming Specialist, D. Williams, commence working with JDBB in January 2014 and departed in July of the same year.
2. The Marketing Economist, D. French , contract ended in February 2014 as a result of his untimely passing.

