

**ANNUAL REPORT AND AUDITED FINANCIAL STATEMENTS OF THE JAMAICA
DAIRY DEVELOPMENT BOARD**

FOR THE YEAR ENDED MARCH 31, 2015

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, 2015. This report is 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 recognizes 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 are shared with the Accounting Department of the Ministry of Industry, Commerce, Agriculture and Fisheries. The Board is working assiduously to bring the Annual Reports up to date.

4. INDUSTRY REVIEW

Milk purchases during the review period 2014-2015 totalled 11.98 million litres. This represents a decline of four point nine percent (4.90 %) or 616,916 litres.

Table 1.
Quarterly & Annual Milk Purchases (Litres) for fiscal years 2012/13 - 2014/15

Fiscal year	Apr-Jun	Jul-Sep	Oct-Dec	Jan-Mar	Year Total
2012-'13	3,558,521	3,172,514	2,997,585	2,884,071	12,612,691
2013-'14	3,233,154	3,224,254	3,048,581	3,094,515	12,600,504
2014-'15	3,322,149	2,704,248	2,810,105	3,147,086	11,983,588

5. MAJOR ACTIVITIES OF THE DAIRY BOARD

The major activities of the Board in fiscal year 2014-2015 were The Dairy Sector Revitalisation Programme (DSRP), the Heifer Redeployment Programme and the Fodder Programme.

i. The Dairy Sector Revitalisation Programme (DSRP)

The Dairy Sector Revitalisation Programme (DSRP) was designed to stimulate improved milk production, increase profitability and stimulate competitiveness among dairy units within Jamaica's dairy sub-sector. To date, loans totalling approximately \$71.7million have been made available to 54 dairy and beef farmers, to assist in the development of pastures, acquisition of breeding stock, as well as upgrading of farm equipment and infrastructure.

ii. Heifer Redeployment Programme

The Heifer Redeployment Programme phase 1 was approved by JDDDB, under which approximately 300 heifers were procured. The programme was designed to achieve the following:

- To reduce the number of dairy heifers entering the meat trade.
- To increase the size of the national dairy herd.
- To increase milk production
- To revitalize institutional herds.

iii. Fodder Programme

The Fodder Programme was designed to mitigate the impact of drought and to increase the efficiency in dairying, through hay production. It was projected to cost \$25 million, and was executed at both the Bodles and Hounslow Research Stations. The programme also, gave technical assistance to clusters of dairy farmers.

6. FINANCE

The JDDDB ended its 2014-2015 fiscal year with a surplus of \$2.236 million. The Board's surplus represented a reduction of \$40.185 million when compared to the previous year. This reduction in surplus was mainly as a result of increased administrative and other operating expenses of \$33,557,018 or 79.013% over the previous year. The revenues were generated primarily from the dairy products cess, amounting to \$60.576 million (reflecting a reduction of 2.514% below the previous year) and Government subvention, which declined by \$6,666,191 or 32.477% to \$13.860 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, 2015. The financial performance and cash flows of the Board for the year then ended were also 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, 2015 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
February 28, 2018

Appendix I

DIRECTORS' COMPENSATION 2014-2015

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 (\$)
Jasmin Holness	133,000.00	-	-	-	133,000.00
Keith Amiel	55,000.00	-	-	-	55,000.00
Byron Thompson	71,500.00	-	-	-	71,500.00
Wintorph Marsden	11,000.00	-	-	-	11,000.00
Barrington Hibbert	44,000.00	-	-	-	44,000.00
Donovan Stanberry	60,500.00	-	-	-	60,500.00
Amb. Douglas Saunders	71,500.00	-	-	-	71,500.00
Vivian Brown	60,500.00	-	-	-	60,500.00
Charles Learmond	27,500.00	-	-	-	27,500.00
Morrel Salmon	71,500.00	-	-	-	71,500.00
Total	606,000.00				606,000.00

Notes:

1. The total allocation figure for motor vehicle upkeep/travelling paid to Directors has been included in the Audited Financial Statement of 2015 (pg. 20) as Staff Cost and included in the amount listed as Other Benefits.
2. Board members fees are paid on a cash basis for each particular year, however, our audited financial statements are done on an accrual basis; meaning what is charged to the profit and loss is the total cost for the year. Therefore, the difference of (\$16,500.00) in the figures reflected above and what is stated on page 25 of the financial statement is as a result of a "difference in audited figure due to compliance with the accruals concept."

Appendix II

Senior Executives' Compensation 2014-2015

Position of Senior Executive	Salary (\$)	Gratuity of Performance Incentive (\$)	Travelling Allowance or value of Assigned Motor Vehicle (\$)	Pension and 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 System Specialist	2,253,733.00		514,500.00	-	-	-	2,768,233.00
Total	9,179,162.00		2,005,020.00	-	-	-	11,184,182.00

Notes

1. Due to the untimely death of the Marketing Economist Mr. D. Ffrench, the Senior Executive Body was reduced to three persons.