

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

FOR THE YEAR ENDED MARCH 31, 2016

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, 2016. This report is being tabled in accordance with the provision 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 JDDB 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. This is primarily due to the lack of an accountant on the Board's establishment. Therefore, the accounting services had to be shared with the Accounting Department of the Ministry of Industry, Commerce, Agriculture and Fisheries. However, the Board is working assiduously to bring the Annual Reports up to date by March 2018.

4. INDUSTRY REVIEW

A total of 12.3 million litres of milk were sold during 2015- 2016 review period (see Table 1 below). Milk production in fiscal year 2015-2016 increased by 2.37 per cent or 283,684 litres above that of the previous year due to the Dairy Sector Revitalization Programme.

Table 1.
Quarterly & Annual Milk Purchases (Litres) for fiscal years 2013/14-2015/16

Fiscal year	Apr-Jun	Jul-Sep	Oct-Dec	Jan-Mar	Year Total
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
2015-'16	3,340,697	2,822,891	2,601,966	3,501,718	12,267,272

5. MAJOR ACTIVITIES OF THE DAIRY BOARD

Major activities of the Board in fiscal year 2015-2016 included the following: The Dairy Sector Revitalization Programme, the Heifer Redeployment Programme and the Fodder Programme.

i. The Dairy Sector Revitalization Programme (DSRP)

The Dairy Sector Revitalization Programme (DSRP) was designed to improve milk production, increase profitability and stimulate competitiveness among dairy units within the Jamaican dairy sub-sector. To date, loans totalling approximately \$71.7 million have been

made available to 54 dairy and beef farmers, to assist in the development of pasture, acquisition of breeding stock, as well as upgrading of farm equipment and infrastructure.

ii. Heifer Redeployment Programme

The Programme focuses on the reduction of the number of dairy heifers entering the meat trade and as corollary; increase the size of the national dairy herd, thereby increasing milk production. An allocation of J\$22M was projected towards obtaining the objectives of this programme.

iii. Fodder Programme

The Fodder Programme was designed to mitigate the drought effect and to increase dairy production. Included in this programme was hay production, which was projected to cost J\$25M and executed at Bodles and Hounslow. The programme gives technical support to clusters of dairy farmers.

6. FINANCE

The JDDB ended its 2015-2016 fiscal year with a surplus of \$23.337 million. The Board's surplus represented an increase of \$21.10 million above the prior year. The revenues were generated primarily from the dairy products cess, amounting to \$79.24 million (reflecting an increase of 30.81% over the previous year) and Government subvention which increased by 0.389% to \$13.91 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 financial statements for the period under review were audited by Millen & Associates 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, 2016, 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 Jamaican Companies Act.

9. The Annual Report and Audited Financial Statements of the Jamaica Dairy Development Board for the year ended March 31, 2016 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

January 16 , 2018

File No. 12/1/34

Appendix I

Senior Executives Compensation

The compensation for Senior Executive of the Jamaica Dairy Development Board for the fiscal year 2015-2016 is tabulated below.

Position of Senior Executive	Fees (\$)	Motor Vehicle Upkeep/ Travelling or Value of Assigned Motor Vehicle (\$)	Honoraria	All other Compensation including Non-Cash Benefits as applicable (\$)	Total (\$)
Chief Executive Officer	4,036,429.00	975,720.00	-		5,012,149.00
Project Coordinator	2,889,000.00	707,448.00	-		3,596,448.00
Business Development Officer	1,944,847.00	514,500.00	-		2,459,347.00
Total	8,870,276.00	2,197,668.00	-		11,067,944.00

Appendix II

Directors Compensation

The compensation for Directors of the Jamaica Dairy Development Board for the fiscal year 2015-2016 is tabulated below.

Position of Director	Fees (\$)	Motor Vehicle Upkeep/Travelling or Value of Assigned Motor Vehicle (\$)	Total (\$)
Chairman (Jasmine Holness)	9,500.00	-	9,500.00
Dr. Keith Amiel	5,500.00	-	5,500.00
Mr. Byron Thompson	5,500.00	-	5,500.00
Dr. Wintorph Marsden	5,500.00	-	5,500.00
Mr. Collin Bullock	0	-	0
Mr. Donovan Stanberry	5,500.00	-	5,500.00
Amb. Douglas Saunders	5,500.00	-	5,500.00
Mr. Vivian Brown	5,500.00	-	5,500.00
Mr. Charles Learmond	11,000.00	-	11,000.00
Mr. Morrel Salmon	11,000.00	-	11,000.00
Sub-Total	64,500.00	-	64,500.00
Invited Guest	5,500.00	-	5,500.00
Total			70,000.00

***Notes:**

1. The total allocated figure for Motor vehicle upkeep/travelling paid to Directors has been included in the Audited Financial Statement of 2016 (Pg. 17) 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 (\$33, 000.00) in the figures reflected above and that stated on pg. 21 of the financial statement a result from a "difference in audited figure due to compliance with the accruals concept."8