

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

FOR THE YEAR ENDED MARCH 31, 2017

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, 2017. 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. INDUSTRY REVIEW

During the reporting period of 2016-2017 a total of 12.3 million litres of milk were sold (see Table 1 below). Milk production in fiscal year 2016-2017 increased by 5.1 per cent (597,290 litres) above that of the previous year due to the activities of Dairy Sector Revitalization Programme.

Table 1.
Quarterly & Annual Milk Purchases (Litres) for fiscal years 2014/15-2016/17

Fiscal year	Apr-Jun	Jul-Sep	Oct-Dec	Jan-Mar	Year Total
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	2,961,718	11,727,272
2016-'17	3,373,102	3,031,067	2,722,385	3,198,008	12,324,562

4. MAJOR ACTIVITIES OF THE DAIRY BOARD

Major activities of the Board in fiscal year 2016-2017 included the following: The Dairy Sector Revitalization Program, the Heifer Redeployment Programme and the Fodder Programme.

i. The Dairy Sector Revitalization Programme (DSRP)

The Dairy Sector Revitalization Program (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 \$84 million have been made available to 56 dairy and beef farmers, to assist in the development of pasture, acquisition of breeding stock, as well as the upgrading of farm equipment and infrastructure.

ii. Heifer Redeployment Programme

Phase one of the Programme focused on reducing dairy heifers entering the meat trade, in an attempt to increase the size of the national dairy herd, thereby increasing milk production. Three hundred (300) heifers were procured under phase 1 of the programme.

iii. Fodder Programme

The Fodder Programme was projected to cost \$25M and was executed at Bodles Research Station. The project was designed to increase quantity and quality of fodder and to improve the efficiency and utilization of harvested fodder. This programme was implemented to mitigate the impact of drought conditions and increase milk production. The programme gave assistance with land preparation, distribution of planting material and technical support to clusters of dairy farmers. Twenty-three (23) small scale farmers benefited through loans totalling \$3M.

5. FINANCE

The JDDDB ended its 2016-2017 financial year with a surplus of \$13.17 million. However, this represented a decrease of \$9.92 million (or 42.97%) when compared to the previous year. The revenues were generated primarily from the dairy products cess, amounting to \$91.77 million (reflecting an increase of 15.82% above the previous year) and Government subvention decreased by 74.59% to \$3.54 million.

6. 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.

7. 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, 2017, in accordance with International Financial Reporting Standards and the Jamaica Dairy Development Act.

8. The Annual Report and Audited Financial Statements of the Jamaica Dairy Development Board for the year ended March 31, 2017 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.



Audley Shaw CD, MP.

Minister of Industry, Commerce, Agriculture and Fisheries

October 24, 2019

Appendix I

DIRECTORS' COMPENSATION 2016-2017

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-Donald Evey	84,000.00	-	-	-	84,000.00
Dr. Sopia Ramlal	49,000.00	-	-	-	49,000.00
Mr. Morrel Salmon	49,000.00	-	-	-	49,000.00
Mr. Dudley Green	56,000.00	-	-	-	56,000.00
Mr. Evrod Nam	42,000.00	-	-	-	42,000.00
Mr. Richard Wates	-	-	-	-	0.00
Mr. Donovan Stanberry	-	-	-	-	0.00
Amb. Douglas Saunders	7,000.00	-	-	-	7,000.00
Mr. Collin Bullock	-	-	-	-	0.00
Mrs. Betty Wates	7,000.00	-	-	-	7,000.00
Mr. Hugh Graham	-	-	-	-	-
Sub-Total	294,000.00	-	-	-	294,000.00
Invited Guest	-	-	-	-	-
Barrington Hibbert	49,000.00	-	-	-	49,000.00
Total	343,000.00	-	-	-	343,000.00

Notes:

- The total allocated figure for Motor Vehicle Upkeep/travelling paid to Directors has been included in the Audited Financial Statement for the financial year ended March 31, (page 25) 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 charge to the profit and loss is the total cost for the year. Therefore, the difference of (\$11,000.00) in the figures reflected above and that stated on page 25 of the financial statement a result from a " difference in audited figure due to compliance with the accruals concept"

SENIOR EXECUTIVES' COMPENSATION 2016-2017

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		707,448.00	-	-	-	3,596,448.00
Farming Systems Specialist	2,497,631.00		707,448.00	-	-	-	3,205,079.00
TOTAL	9,423,060.00		2,390,616.00	-	-	-	11,813,676.00