

Agro-Investment Corporation ■

ANNUAL REPORT

2020



C O R P O R A T E D A T A

Agro-Investment Corporation (AIC) is an Agricultural Investment Facilitation entity which functions as the business facilitation agency of the Ministry of Industry, Commerce, Agriculture & Fisheries, with a focus on agricultural investment, promotion and facilitation, project and market development as well as the development and execution of the Agro Parks Programme.

AIC'S MANDATE

The AIC is mandated to execute on the following:-

- To stimulate, facilitate and undertake the development of agriculture in Jamaica;
- To mobilize and manage a pool of funds to be used to enhance the competitiveness of Jamaican agriculture in the domestic and global markets;
- To finance select agricultural support services including agricultural extension, research, marketing and strategic information to producers and exporters of agricultural produce;
- To provide grants for projects in the non-traditional agricultural sector;
- To organize and train farmers and technical personnel;
- To facilitate the provision of agricultural extension services, sanitary services, land on behalf of the government; and;
- To establish and maintain an efficient system of processing and marketing for agricultural produce by securing the most favourable arrangements for the purchase, handling and exportation of agricultural produce.



MISSION STATEMENT

To mobilize finance, facilitate and promote investments and undertake market development through packaging innovative agribusiness opportunities towards a viable and sustainable agricultural sector.

VISION STATEMENT

The premier agency in the caribbean for attracting, promoting and facilitating agricultural investments



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CHAIRMAN'S REMARKS



Agro-Invest was setup to play a very integral role in the re-engineering of Jamaica's economic success through agricultural exploits. We continue to push the model of the agro-parks and hope that these model farms will transcend the idea of an agro-economic zone and permeate the domestic fibres of the Jamaican society. Our intention is for more underrepresented groups become a part of this transformational sector. We currently have a good number of women and youths investing in our 7 agro-parks across the island. Though we would like to see more capitalizing on the opportunities within the agro-parks, there needs to be more resources available to support these groups as they set up for investing.

Over the period, the Corporation acquired the management responsibilities for Holland Estate in St. Elizabeth and we have been working with the stakeholders there to effect meaningful changes that will influence positive results for the agricultural sector. To this end, we continue to push our strategic objectives of increased production

and increased agricultural outputs for the domestic market and to bolster import substitution needs. With vision 2030 just a few years ahead, we are still cognizant of the goal of making Jamaica the place to live, work, do business and raise families. This will however not be achieved without the pillars of the agricultural sector securely fastened to hard work and tangible outputs which will translate to positive development for our country. Though the mandate is the driving force behind our strategy; the daunting task of operating on a daily basis with the limited constraints of government funding continues to hamper our operations. The lack of financial resources to outfit the agro-parks with the proper infrastructure including roads, irrigation, light, drainage and human capital pose the biggest threat to fulfilling our mandate and making the meaningful contribution expected from this area within the agricultural sector. Nonetheless, we remain resolute and continue to put contingencies in place as necessary to achieve the set targets within our strategic framework.

The financial year 2019/20 witnessed many setbacks as well as victories for the Corporation. Among the setbacks were floodings and loss of harvest for investors and Covid-19. We are still grappling with the colossal effects of the latter but have put measures in place to continue operating under the restrictions imposed under this new normal for the country. As we gain small victories over the year, I make notable mention of the progress achieved with the merger of the Agro-Investment Corporation,

Agricultural Marketing Corporation and the Agricultural Support Services and Productive Projects Fund Limited into a single entity, the AIC. The administrative process has been completed and the Board of Directors have been appointed to act for and on behalf of the entities involved. This has brought much ease to transacting the corporation's business. A new Chief Executive Officer was also appointed on July 1, 2019 and he has been making strides in the fulfilment of strategy. Jamaicans also got to participate in the very first drive through farmers market which was conceptualized and executed by the corporation. This allowed the investors within the agro-parks an opportunity of a ready market for their produce amidst the Covid-19 pandemic. The 2 day venture was a success and will be explored further.

As we continue on the journey, underscoring our mission of 'mobilizing finance, facilitating and promoting investments and undertaking market development through packaging innovative agri-business opportunities towards a viable and sustainable agricultural sector' we will need all hands on deck especially in the trying years ahead.

Vitus Evans
Board Chairman

CEO'S REPORT



OVERVIEW

Agriculture continues to be one of the most crucial sectors of the Jamaican economy with seven percent contribution to the Gross Domestic Product (GDP), and when value-added products, including agro processed goods, are taken into account, the contribution of the sector rises to 12 per cent (Mar 14, 2018 Statistical Institute of Jamaica). The Sector also provides employment to nearly 18 percent of the work force, having a multiplier effect on the entire economy. The Agro-investment Corporation (AIC) has continued to play an important role in attracting and facilitating agribusiness investments in Jamaica. The Corporation celebrated its 10th anniversary during the 2019/2020 financial year. Unfortunately, this ten-year milestone has been met with several challenges, among them the imminent effects of Climate-change. Climate is the primary determinant of agricultural productivity. Agriculture and climate change are inextricably linked—crop yield, biodiversity, prevalence

of pests and diseases, frequent and intense extreme weather events and water use, as well as soil health are directly affected by a changing climatic condition. The organization's management team has chosen to embrace the challenges, viewing them as transformative opportunities. Notwithstanding the challenges, we continued to improve operational performance and strengthen Agro Investment's growth platform through targeted investments in production facilities and land as well as strategic initiatives to establish a strong brand. Under these tough conditions, we further improved our market-leading efficiency level with a view to safeguarding Corporation's reputation. The period 2019/2020 also saw the continuation of the Corporation's efforts to execute an agribusiness development strategy of: infrastructure development; optimization of existing production and supply chain assets and systems while attracting large-scale private investments

AGRO-PARKS

In the year under review, the Agro Parks were able to increase production by 18.09% compared to the previous financial year. The net increase was attributable to new market linkages and the identification of more arable lands outside of the Agro Parks that were placed in production. The numbers of new investors for the Agro Parks and Production Zones also grew by 25%, resulting in increased employment for several members of the associated communities. The Agro Park Programme also achieved its second Global GAP certification

from CSQA, the accredited certification body specializing in Food Safety. The number of Agro Parks under the management of the Corporation grew during the period under review, increasing from four to six. All six facilities are Global GAP certified, providing the opportunity for many commodities to be exported, thus tapping into the international market.

INFRASTRUCTURE DEVELOPMENT

Essex Valley Agricultural Development Project

In collaboration with the National Irrigation Commission (NIC), the AIC is implementing the Essex valley agricultural development project to, among other things irrigate 1,700 acres of land in Essex Valley, St. Elizabeth; construct multipurpose packaging facilities and implement Global GAP quality management systems as components of an enhanced agricultural marketing and distribution system; develop agribusiness investment models and provide business and technical training to value-chain participants to improve business sustainability; and linking producers and packers to domestic and international markets.

The Southern Clarendon and St. Catherine Agricultural Development Project

This project is in progress, collaborating with the National Irrigation Commission (NIC) to plan and execute irrigation for 4,114 acres of lands in Southern St. Catherine and Clarendon. On completion of the Project in 2023, it will be managed by Agro Invest Corporation.



Asset Optimization Land use

During the past year, the AIC further rationalized its Agro Park lands and Production Zones to achieve 75% land use. Among the target crops cultivated were: onions, Irish potatoes, cassava, fruits and vegetables along with hot pepper, the latter three products being in high demand for export.

CADASTRAL MAPS

Cadastral maps were developed for all Agro Parks under the Corporation's control as a first step in the Geographic Information Data Management System (GIDMS), which is now further being developed.

The Agricultural Marketing Corporation (AMC)

The 104,000 square foot AMC packaging, storing and office complex remained a high demand property over the year and is currently fully utilized by 23 investors. The AMC however, is earmarked as a logistics hub in Jamaica's food distribution system and the property of 9.5 acres is being offered to the public under a public private partnership arrangement to support that objective. To date, interest in this divestment model remains high, and the first stage of the divestment, a feasibility study is under consideration.

OUTREACH AND ENGAGEMENT

The AIC continues to engage the local and international investing public to participate in the financial and economic development opportunities afforded by the local

agricultural sector. The main priority areas of focus of the AIC are: aquaculture; fruit tree crops; organic agriculture and nutraceutical; herbs and spices; roots and tubers, and vegetables. Profiles for the food tree crops as well as several vegetable crops have been developed. The post-harvest losses of crops on the Parks have been very high (45%) as the post-harvest technologies and infrastructure have not kept pace with production technology. The Corporation is thus working with the Private Sector to find additional investment for the strengthening of the storage, handling and transportation infrastructure. Youth in Agriculture Program Agro Investment Corporation continues the Ministry policy with regard to youth in Agriculture inclusion on the various Agro Parks across the country. The Corporation provide technical support, market linkages and capacity building.

The Corporation is in partnership with value chain players to help drive the Youth in Agriculture Programme, with an initial thirty (30) youth being engaged on 150 acres of lands across the Agro Parks. The programme is earmarked to attract several youths and women in agriculture.

Global GAP Infrastructure

Cognizant of the changing international marketplace and the elevated competitive advantages that reside in quality management systems, the AIC continues to be in partnership with the Agricultural Competitiveness Programme (ACP)

to help initiate additional Agro Parks and to implement Global Gap Programmes on these Agro Parks. They have already implemented the Global Gap Programme in the Spring Plains, Ebony Park and PGR Agro Parks.

Investors/ Investment interests
The Corporation received an average of 120 applications for land each month. The Corporation has only been able to place around 25 of all applicants on lands. Private lands along with government lands are being aggressively pursued for applicants. AIC also provides counselling for 450 potential agricultural investors for the year.

MINARD PROPERTIES

The Minard Estates farm hosts the nucleus of the national beef herd comprising of the three beef breeds: Jamaica Black, Jamaica Red and the Jamaica Brahman. The herd count at March 31, 2020 was 320. The Farm continues to play a significant role in providing quality breeding stock to the local cattle sector hosting three over-subscribed sales day, one cattle appraisal and the Minard Livestock and Beef Festival. The Farm also participated in five agricultural shows, winning 26 prizes at the Denbigh Agricultural Industrial and Food Show.

Dr. Al Powell
Chief Executive Officer

C O R P O R A T E G O V E R N A N C E R E V I E W

Board of Directors

The Board of Directors was appointed by the Honourable Minister of Industry, Commerce, Agriculture & Fisheries, pursuant to powers invested in him under the provisions of the Agro-Investment Corporation Act (section (3) 2 of 1952).

The Board of Directors is collectively responsible for the strategic management and oversight of the corporation, serve as the focal point for corporate governance, is accountable to the responsible minister and ensures compliance with the Public Bodies Management & Accountability Act, Financial Administration and Audit Act and all other applicable legislations and GOJ policies. The Board through the Chairman works closely with the Minister of Industry Commerce Agriculture & Fisheries and the State Ministers under the said portfolio and have the power to issue general directions on matters of policy.

Decisions on operational matters and the day-to-day management of the business are delegated to the

Chief Executive Officer and the Executive Management team. This includes implementing corporate policies, managing the operations of the agro parks, monitoring financial performance and human resource management.

KEY ROLES AND RESPONSIBILITIES

Effective operation of the Board relies on clarity of the various roles and responsibilities of the individual Board members. Of particular importance are the roles of the Chairman and Chief Executive Officer, whose roles are set out in writing and have been agreed on by the Board. The key responsibilities of these roles are set out below.

Chairman:

Key responsibilities:

- Running the Board and ensuring its effectiveness in all aspects of its role;
- Ensuring that the Directors receive accurate, timely and clear information;
- Identifying development needs of Directors and ensuring that the Directors continually update their skills and their knowledge, of and familiarity with, the corporation;
- Ensuring that the performance of the Board, its Committees and individual Directors are evaluated at least once a year; and
- Maintain contact with major shareholders and ensuring that their views are communicated to the Board. The other significant commitments of the Chairman

Chief Executive Officers:

Key responsibilities:

- Development and implementation of the Company's strategy;
- Management of the day-to-day operations of the corporation;
- Recommending to the Board an annual budget;
- Identifying and executing new business opportunities and investments;
- Managing the corporation's risk profile and ensuring appropriate internal controls are in place



BOARD MEETINGS

Five (5) official Board Meetings were held during the reporting period. If a Director is absent from a meeting, his or her views are sought in advance where possible and then put to the meeting. The table below sets out for each Director both the number of meetings attended and the maximum number of meetings that could have been attended.

BOARD OF DIRECTORS ATTENDANCE RECORD

4/6/2019	6/7/2019	8/9/2019	10/11/2019	12/5/2019	2/6/2020		
●	●	●	●	●	●	VITUS EVANS	6 of 6
●	●	●	●	●	●	GARY COULTON	3 of 6
●	●	●	●	●	●	GAVIN BELLAMY	4 of 6
●	●	●	●	●	●	MERLE DONALDSON	4 of 6
●	●	●	●	●	●	JUNIOR GRAHAM	6 of 6
●	●	●	●	●	●	KARL HYATT	4 of 6
●	●	●	●	●	●	MARSHALL PETERKIN	4 of 6
●	●	●	●	●	●	MARLENE PORTER	5 of 6

HOW THE BOARD OPERATES

BOARD INFORMATION

Board papers containing, amongst other things, current and forecast performance results, governance, litigation and risk updates, agro parks performance, human resource and administration, project development and investments are distributed in advance of the meetings to allow the Directors sufficient time for preparation. Minutes of the meetings are also circulated to all Directors. The Board receives presentations from Executive Directors namely, the Chief Executive Officer and Chief Financial Officer on specific issues as well as having direct access to senior operational management within the organization as required. Executive Directors are involved in regular meetings to consider financial, operational and compliance matters arising throughout the year.

INDEPENDENT ADVICE

All Directors have access to the advice and services of the Company Secretary who, through the Chairman, is responsible for ensuring that Board procedures are followed and that applicable rules and regulations are complied with. In addition, all Directors have access to independent professional advice, if required, at the Company's expense. Induction and personal development

The Chairman through the Corporate Secretary is responsible for ensuring that induction and training is provided for each Director. Each new Director receives an induction pack and undertakes a bespoke induction programme that provides them with information on the Corporation, their responsibilities, and obligations. All Board members receive updates on regulatory and legal changes as well as operational briefings. For example, the Board received a briefing on all relevant legal and regulatory information needed for board guidance by the Chairman of the Corporate Governance Committee, Greg Christie.

COMPOSITION OF THE BOARD

The Board aims to have a diversity of skills, experience, length of service, knowledge and gender. These demonstrate a broad range of experience, expertise, and sufficient calibre to bring independent judgement on issues of strategy, performance, resources and standards of conduct, which are vital to the success of the Corporation.

CONFLICTS OF INTEREST

The Company's Articles of Association permit the Board to consider and, if it sees fit, to authorise situations where a Director has an interest that conflicts, or may possibly conflict, with the interests of the Company. The Board has put in place a formal system for Directors to declare conflicts to be considered for authorisation by those Directors who have no interest in the matter being considered. Furthermore, the Board has in place measures to manage any actual or potential conflict of interest situations that may arise, which operate effectively. In deciding whether to authorise a potential or actual conflict, the non-conflicted Directors are required to act in the way that they consider would be most likely to promote the success of the Company. They may impose limits or

conditions when giving authorisation or subsequently, if they think this is appropriate.

RISK MANAGEMENT AND INTERNAL CONTROLS

The Board has ultimate responsibility for establishing, monitoring and maintaining the corporation's risk management and internal control systems. These systems are designed to enable the Board to be confident that such risks are mitigated or controlled as far as possible, although no system can eliminate the risks entirely.

The Board has established a number of ongoing processes to identify, evaluate and manage the key financial, operating and compliance risks faced by the company and for determining the appropriate course of action to manage and mitigate those risks. The Board delegates the monitoring of these internal control and risk management processes to the Audit Committee, Risk Committee and Internal Audit function. These measures have been in place throughout the year and up to the date of this Report.

The key features of the risk management and internal controls system, which the Directors have established with a view to providing effective internal control are:

- ongoing review of strategy by the Board, which aims to identify potential strategic risks facing the company; establishing and monitoring of the formal schedule of matters reserved for decision by the Board;
- establishing a defined list of authority and approval limits;
- monitoring of actual performance against budget and forecasts. A detailed monthly management pack is prepared, which includes consolidated results and summarised results for

each sub-programme. The performance of each sub-programme is reviewed monthly by the Executive Directors and reported to the Board at each meeting;

- frequent management meetings with Heads of department, which cover any emerging operational, financial, strategic or compliance issues and controls;
- at least annually, the Board review the principal risks identified;
- confirmations of key internal controls, including financial controls, are received quarterly from each sub-programme. The purpose of these confirmations is to confirm the operation of an appropriate system of internal controls and to highlight any potential new risks facing the business;
- the Audit Committee reports to the Board at each Board meeting. Risks and controls are reviewed through the Risk Committee to ensure effective management of appropriate strategic, financial, operational and compliance issues; and
- the company's internal audit function provides an independent assessment of the systems and controls in place across the entity. Businesses are selected for internal audit on a risk focused basis; the results of internal audits are reported to management and to the Audit Committee.

The Board and management continues to review and enhance the company's risk management framework to ensure that they are actively identifying and managing risks in the most efficient and effective way for the corporation.

COMPANY ETHICS AND WHISTLEBLOWING

The Company is committed to the highest standards of integrity and honesty and expects all employees to maintain the same standards in everything they do at work. The Company recognises that effective and honest communication is essential to maintain our business values and to ensure that any instances of business malpractice are detected and dealt with. The Company has a number of policies available via an online

policy management portal. This includes a Code of Ethics, a Conflict of Interest Policy, a Nepotism Policy and a Whistleblowing Policy. In particular, the Whistleblowing Policy has procedures for disclosing malpractice and is intended to act as deterrent to fraud or other corruption or serious malpractice. It is also intended to protect the corporation's business and reputation.










the Board, namely: Corporate Governance, Lease Review, Audit, Human Resources, Procurement and Projects. The various committees of the board are chaired by individual Directors who are equipped to carry out the mandate of the specific committees pursuant to the terms of reference for that committee. It must be noted that the Audit and Procurement committees are properly constituted as per the guidelines prescribed.

REPORT ON BOARD COMMITTEES

There are 6 committees of





LEASE REVIEW COMMITTEE ATTENDANCE RECORD

6/5/2019 11/27/2019 2/6/2020
Round Robin

			MERLE DONALDSON	3 of 3
			VITUS EVANS	3 of 3
			KARL HYATT	3 of 3
			MARLENE PORTER	3 of 3













PROJECTS COMMITTEE

4/14/2019

	MERLE DONALDSON	1 of 1
	VITUS EVANS	1 of 1
	KARL HYATT	1 of 1
	MARLENE PORTER	1 of 1

HUMAN RESOURCES COMMITTEE ATTENDANCE RECORD

5/13/2019 7/29/2019 11/26/2019 2/3/2020

				MARLENE PORTER	4 of 4
				VITUS EVANS	4 of 4
				GARY COULTON	2 of 4
















PROCUREMENT COMMITTEE

Via Round Robin

MARSHALL PETERKIN	3 of 3
KARL HYATT	3 of 3
GAVIN BELLAMY	3 of 3

AUDIT COMMITTEE ATTENDANCE RECORD

6/6/2019 7/8/2019 9/26/2019 12/5/2019 3/10/2020

					VITUS EVANS	5 of 5
					JUNIOR GRAHAM	5 of 5
					GARY COULTON	0 of 5

BOARD PROFILES

Vitus Evans



Vitus Evans is the Chairman of the Board of Directors. He joined the Betting Gaming and Lotteries Commission (BGLC) on May 1, 2017 with the mandate to merge the BGLC, the Jamaica Racing Commission (JRC) and the Casino Gaming Commission (CGC) into a single Gaming Commission that will enable a viable and reputable gaming and racing industry by balancing the interest of Providers, Consumers, the General Public and Government.

He is an Attorney-at-Law and was called to the Bar in the United Kingdom, Eastern Caribbean and Jamaica. He has his own Law Practice and Consultancy firm, Vitus Evans and Associates with business interests spread across agriculture, manufacturing and management consultancy services.

Recognized as a business and management leader in Jamaica with over three decades of experience in corporate governance and law, Vitus serves on multiple boards in the private and public sectors. He is the past President of the Jamaica Exporters Association (JEA) and he is currently St. Lucia's Honourary Consul to Jamaica.

Gary Coulton



Mr. Gary Coulton is the Chief Executive Officer of Coultico Holdings Limited and its subsidiaries, Truly Jamaican Farms and Coultico Farming Solutions.

Before returning home to establish his business in Jamaica in 2009, Mr. Coulton owned and operated a cash crop farm in Florida. He was the sole entity to be registered with the United States Department of Agriculture (USDA) to grow Scotch Bonnet Pepper on a commercial basis. He was also the only establishment to be registered for crop insurance for the peppers.

He has served as a Director on the Board of the Jamaica Bauxite Mining Company (JBM) and the National Board of the Rural Agricultural Development Agency (RADA). He was the Chairman of the sub-committee for Research, Training and Technology of the latter. He presently sits on the Boards of the Agricultural Investment Corporation (AIC) and the SCJ Holdings Limited.

Director Coulton is highly recognized by the United States Department of Agriculture (USDA) and is granted unlimited permits for soil and tissue samples to enter the U.S.A. for analysis. He received his formal training from the Israeli Agricultural School in Palm Beach, Florida where he got hands-on training in designing and implementing irrigation systems, designing feeding programs, and the proper use of both controlled and uncontrolled chemicals in the agricultural industry.

Junior Graham



Mr. Graham has 15 years' experience in Technology, Finance and Project Management and currently heads the Management Information Systems Unit at Jamaica Money Market Brokers Ltd. He previously worked at the GraceKennedy Group as Assistant Vice President for New Solutions with responsibilities spanning the Insurance, Money Services, Banking and Investments line of Business. Mr. Graham holds an M.B.A in Finance from the University of Manchester, and an M.Sc. from Reading University in the United Kingdom

Marlene Porter



Marlene Porter is a seasoned and experienced business and market development strategist. She joined the management team of Jamaica Promotions Corporation (JAMPRO) in January 2008 and has managed various portfolios including Business Facilitation, Export Development and Services, and is currently the Sales and Promotions Manager of Agribusiness. In these roles, she has worked with local and international investors in establishing or expanding their businesses in Jamaica, as well as supported Jamaican firms in accessing local and international markets. Mrs. Porter has enjoyed extensive and successful collaborations with public and private sector partners.

Mrs. Porter previously served as a senior executive within the private sector and held a senior position in the Economic Research and Programming Division at the Bank of Jamaica, following a short stint in the commercial banking sector. She holds a Masters' degree in Business Administration (MBA), a Master of Science (MSc) degree in Economics and a Bachelor's degree in Mathematics with Social Sciences from UWI. She is also a trained Mathematics teacher.

Mrs. Porter has served on several public and private sector Boards.

BOARD PROFILES

Marshall Peterkin



Marshall St. John Peterkin J.P. is a Civil Contractor in the Civil Engineering & Construction Industry, an executive and company director who operates an Asphalt Paving company, Asphalt Resurfacers Limited, which provides paving, resurfacing and civil engineering services to private and public sector entities as well as individuals.

In his early years, Mr. Peterkin was employed at the Esso Oil Refinery as a Process Technician. After a few years at the Esso Oil Refinery, he decided to migrate and expand his horizons.

Not very long after Mr. Peterkin decided to return to the land of his birth. On his return, he was employed at J. Wray & Nephew as a part of their Sales Team.

It was not long after that his love for one of his hobbies led him into the training of racehorses at Caymanas Park. Mr. Peterkin was a happy and successful Trainer as he was doing what he loved. His years spent in horseracing were enjoyable and very satisfying and saw him visiting the winners' enclosure many times. He still maintains an active interest in this sport.

However, not one to allow the grass to grow under his feet, Mr. Peterkin with his high energy started an Asphalt Resurfacing business, which augured back to his days with the Esso Oil Refinery. This business began out of the expertise gained many years earlier at the Esso Oil refinery. This asphalt business has and still is Mr. Peterkin's main business activity and remains a successful entity.

Mr. Peterkin is a Justice of the Peace in the parish of St. Andrew for the past twelve years.

His hobbies include, but are not limited to cooking, sailing, small farming and horse racing.

Merle Donaldson



Merle Donaldson has over twenty years of experience in both the public and private sectors in the areas of research, business development, project management, quality systems and conformity assessments. She holds an MBA in International Business and B.Sc. in Chemistry and Management from the University of the West Indies and a Postgraduate Diploma in Education and Training from the Vocational Training and Development Institute. She currently serves on the boards of the Agro-Investment Corporation, Culture, Health, Arts, Sports and Education (CHASE) Fund and the Planning Institute of Jamaica.

Dr. Gavin Bellamy



Dr. Gavin Bellamy attended Excelsior High School between 1974 and 1980, then attended EXED Community College. On completion he travelled to Tampa, Florida (St. Leo College) and obtained a BA in Pre-Veterinary Medicine. Gavin returned to Jamaica in 1996 where he worked as Customer Service Manager at the Jamaica Livestock Association Ltd.

In 1998 he received a scholarship to study veterinary medicine in the Soviet Union. This started with a one-year programme where he learnt the language and became fluent by the end of his tenure. On completion he travelled to the Ukraine and attended Kharkov Zoo Veterinary institute where he graduated with a DVM (hon) and a MSc in reproductive physiology. He also was accredited as a teacher and translator of the Russian language.

On completion he returned to Jamaica and was registered to practice veterinary medicine. His career as a vet began at the Hope Veterinary Hospital where he practiced for two years.

In January Dr. Bellamy assumed his current role as General Manager at Serge Island Farms Ltd, a subsidiary of the Seprod Group of Companies.

Gavin is a Justice of the Peace, served as a Lay Magistrate and serve as Director for several Boards.

Gavin is married to Catherine since 1999 with two children aged 16 and 13.

Karl Hyatt



Mr Karl Hyatt is currently the Chief Planning Analyst at the Ministry of Industry Commerce Agriculture & Fisheries. Prior to that, he has served the said Ministry in several leadership capacities spanning approximately three decades to include, Senior Agricultural Economist, Director Data Analysis and International Trade Specialist. Mr Hyatt completed training in agriculture, trade, trade negotiations, development and planning. His expertise is vast and expansive which allows him to lend support to the Honourable Minister as necessary and the Permanent Secretary.

Mr. Hyatt holds a BSc (hons) in Mathematics and a MSc in Economics from the University of the West Indies and is a recipient of several other certificates and diplomas from countries such as Israel, Russia, Barbados and Switzerland.

Taniesha Campbell



Mrs Campbell is the Corporate Secretary and the Head of the Corporate Governance Unit. She lends support to the Board of Directors and its constituent committees. Critical to her function is the oversight of strategic and operational policies and procedures for the smooth and efficient running of the corporation.

Mrs Campbell has amassed over 12 years of administrative experience in both the legal and business spaces and has contributed in various capacities to her community and civic Jamaica.

She is a graduate of the University of the West Indies where she pursued a BSc in Political Science with minors in Criminology and Social Psychology and further read for a Bachelor of Laws degree where she completed 2 years of a 3 year programme. She is currently pursuing an MBA with a Concentration in Law at Queen Mary, University of London and the Chartered Secretary Designation through the Institute of Chartered Secretaries and Administrators London. Mrs Campbell is married with 2 daughters.





DIRECTORS FEES/EXPENSES

April 2019 - March 2020

Position of Director	Fees (\$)	Motor vehicle upkeep/ Traveling Value of assigned m/vehicle (\$)	Honoraria (\$)	All other compensation/ Non-cash benefits as applicable (\$)	Total (\$)
Vitus Evans	146,500.00	22,840.00			169,340.00
M. Peterkin	28,000.00				28,000.00
M. Donaldson	47,500.00				64,790.00
G Coulton	36,000.00	17,290.00			36,000.00
J. Graham	91,500.00				91,500.00
M. Porter	67,000.00				67,000.00
K. Hyatt	61,000.00				61,000.00
G. Bellamy	42,500.00				42,500.00
TOTAL	520,000.00	40,130.00			560,130.00



EXECUTIVE EMOLUMENTS

April 2019 - March 2020

Position of Senior Executive	Year	Salary (\$)	Travelling Allowance/ Value of assigned m/ vehicle (\$)	Gratuity/ Performance Incentive (\$)	Pension/Other Retirement Benefits (\$)	Other Allowances (\$)	Non-Cash Benefits (\$)	Total (\$)
Chief Executive Officer		1,627,748.49	424,287.00	-				2,052,035.49
(April - June)				-				
Chief Executive Officer		4,883,245.56	1,272,861.00					6,156,106.56
(July - March)								
Chief Financial Officer		4,923,443.50	1,697,148.00	1,081,279.80				7,701,871.30
Snr. Director, Hrm & Dev.		4,675,202.50	1,697,148.00	1,081,279.80				7,453,630.30
Snr. Internal Auditor		4,509,708.50	1,697,148.00	2,098,845.77				8,305,702.27
Director, Project Mgmt.		4,220,094.00	1,697,148.00	-				5,917,242.00
Ppty & Fixed Assets Mgr		3,134,922.88	894,924.00	-				4,029,846.88
Director, Agro Park Dev.		4,488,226.08	1,697,148.00	-				6,185,374.08
Director Of Accounts		3,950,056.43	894,924.00	-				4,844,980.43
Corporate Secretary		3,173,007.59	802,223.99	1,460,186.89				5,435,418.47
Acting Corporate Sec.		704,341.18	181,769.00					886,110.18
It Manager		3,435,418.04	894,924.00					4,330,342.04
(Feb - June)								
Total		43,725,414.75	13,851,652.99	5,721,592.26				63,298,660.00

SENIOR OFFICERS

Kadiana Ramballi



Mrs. Kadiana Ramballi, on the surface, is an accomplished Chief Financial Officer at the Agro Investment Corporation, with over 30 years' experience in the field of Accounting, Budgeting, Financial and Portfolio Management.

Kadiana's professional life started at St. Catherine High School where she taught Mathematics and English Literature. She also worked as a Budget Director at the Ministry of Finance & the Public Service, General Manager at the then GSB Cooperative Credit Union Ltd, and Senior Director, Finance and Accounts at the Rural Agricultural Development Authority (RADA).

Her educational pursuit began at Shortwood Teachers' College where she majored in Mathematics and English Literature at the secondary level. She is also the holder of a Bachelor's and a Master's Degree in Accounting from the UWI, Mona. She is an ardent Christian and has participated in several leadership roles at her church. She has one son who is a medical doctor.

Rickman Edwards



Mr. Rickman Edwards is the Properties and Fixed Assets Manager with over 15 years of experience in property management and valuation. He has managed several property portfolios and has experience in project management, land divestment, land acquisition and construction. He joined the corporation in January 2016, and has lead the process of developing and implementing the Agro Invest Land Lease Policy and Procedures.

He is a graduate of the University of Reading (London) where he obtained a Bachelor of Science Degree (First Class Honors) in Estate Management. He is also a graduate of the University of Technology, where he achieved a (Hons.) Diploma in Land Economy and Valuation Surveying.

Sherine Landell



Mrs. Landell is responsible for providing full insight and recommendations based on analysis and assessments of financial and operational data and business processes of the Corporation in accordance with the FAA Act, Public Bodies Management and Accountability Act, relevant funding agency contracts and Generally Accepted Accounting Principles.

She holds a MSc in Accounting from the University of the West Indies and a BBA in Accounting from the University of Technology.

SENIOR OFFICERS

PROFILES CONT'D

Owen
Scarlett



Owen D. Scarlett is the Director for Agro Park Development. He is responsible for providing leadership and direction for the overall development of all Agro-parks and agro-economic zones to ensure that they contribute optimally to the pertinent development objectives of the vision 2030 plan. He has over a decade of experience within the Ministry of Industry, Commerce, Agriculture and Fisheries and has served in various capacities including Chief and Senior Food Storage Inspector.

He holds a Master in Business Administration (MBA) with a concentration in Finance and a Bachelor of Science Degree in General Agriculture from the University of the West Indies (UWI). He also holds an Associate of Science Degree (Asc) in General Agriculture from the College of Agriculture, Science & Education.

Judith
Leslie



Ms. Judith Leslie joined the Corporation as the Director, Human Resource Management and Development in 2015.

In her role as Director, she implements policies and practices that supports the long term objectives of the company. She is responsible for managing and directing the human resource activities and supporting the strategic initiatives to attract, develop and retain the human capital within the Corporation.

Ms. Leslie holds a Bachelor of Business Administration in Human Resource Management from the University of Technology.



Kimberly Billings



Miss Billings joined the Agro-Invest family in April 2018 on secondment from the Geo Spatial Unit of the Ministry of Economic Growth and Job Creation. She has over five (5) years' experience as a Systems Administrator/IT Professional.

Her educational background includes a B.Sc. in Management Information Systems(BMIS) from the Excelsior Community College as well as training in multiple areas such as Windows Server Administration, Hyper-V and Virtualization, Active Directory and ESRI's ArcGIS® Server administration. She is a CISCO Certified Network Engineer with a level 2 NCTVET certification in Computer Repairs and Maintenance from the National Tools and Engineering Institute. Kimberly is currently pursuing a Master of Science degree in Computer Based Management Information Systems (CBMIS) from the Mona School of Business and Management at the University of The West Indies, Mona.

Lillymae Walder



Lillymae J. Walder serves as Director of Project Development with oversight for Minard Estates farm and the Marketing activities of the Corporation. She is a development consultant with over 23 years of progressive and significant experience in Jamaica's public service. She also served the Government of Trinidad and Tobago as a consultant in the areas of Procurement Management and Trade Facilitation.

She holds a Doctor of Philosophy in Sustainable Development, a Master's degree in Business Administration and Bachelor of Science in Computer Science and Mathematics.



AGRO PARK DEVELOPMENT

2019 - 2020

Agro Investment Corporation | Projects & Activities Result Matrix

Strategy	Performance indicator	Target (2019/2020)	Performance/ Achievement	Total performance On/Off	Explanation
Increase availability, capabilities, and conservation of arable lands. Develop and strengthen institutional frameworks for marketing, distribution, quality management, and sustainability systems. Develop and deliver technical services and technological solutions in agribusiness value chains	% of infrastructure works completed (2017 base year).	60% of Infrastructural works completed <ul style="list-style-type: none"> 68 ha. Cleared 15 km of road upgraded 10km of drains upgraded 60 eye/hand wash units procured 10 Global GAP compliant bathrooms installed 2 Producer Groups offices constructed 	88.78% of Infrastructural works completed <ul style="list-style-type: none"> 22.03 ha. Cleared Road Upgrade- 0.54km Drains and verges- 59.26km Eye/ hand wash - 44 Bathrooms- 3 stationary bathrooms renovated 1 delivery area constructed (31x40ft), 1 handling facility (15x40 ft) One 40ft container acquired for storage purpose at PGR 6 Chemical boxes made and distributed Garbage drums procured (empty Pesticide disposal) 500m of fence installed at Amity Hall 	On	Insufficient Funding was available to deliver on all the projected targets for the financial year.
	# of hectares (ha) planted	<ul style="list-style-type: none"> Amity Hall – 42.5 ha Ebony Park – 198 ha Spring Plain – 219.6 ha PGR – 37.9 ha 498 ha	<ul style="list-style-type: none"> Amity Hall – 49.36 ha Ebony Park – 130.91 ha Spring Plain –150.31ha PGR – 74.51 ha NF/DH- 16.46 ha Yallahs- 10.6 ha 432.15 ha	Off	

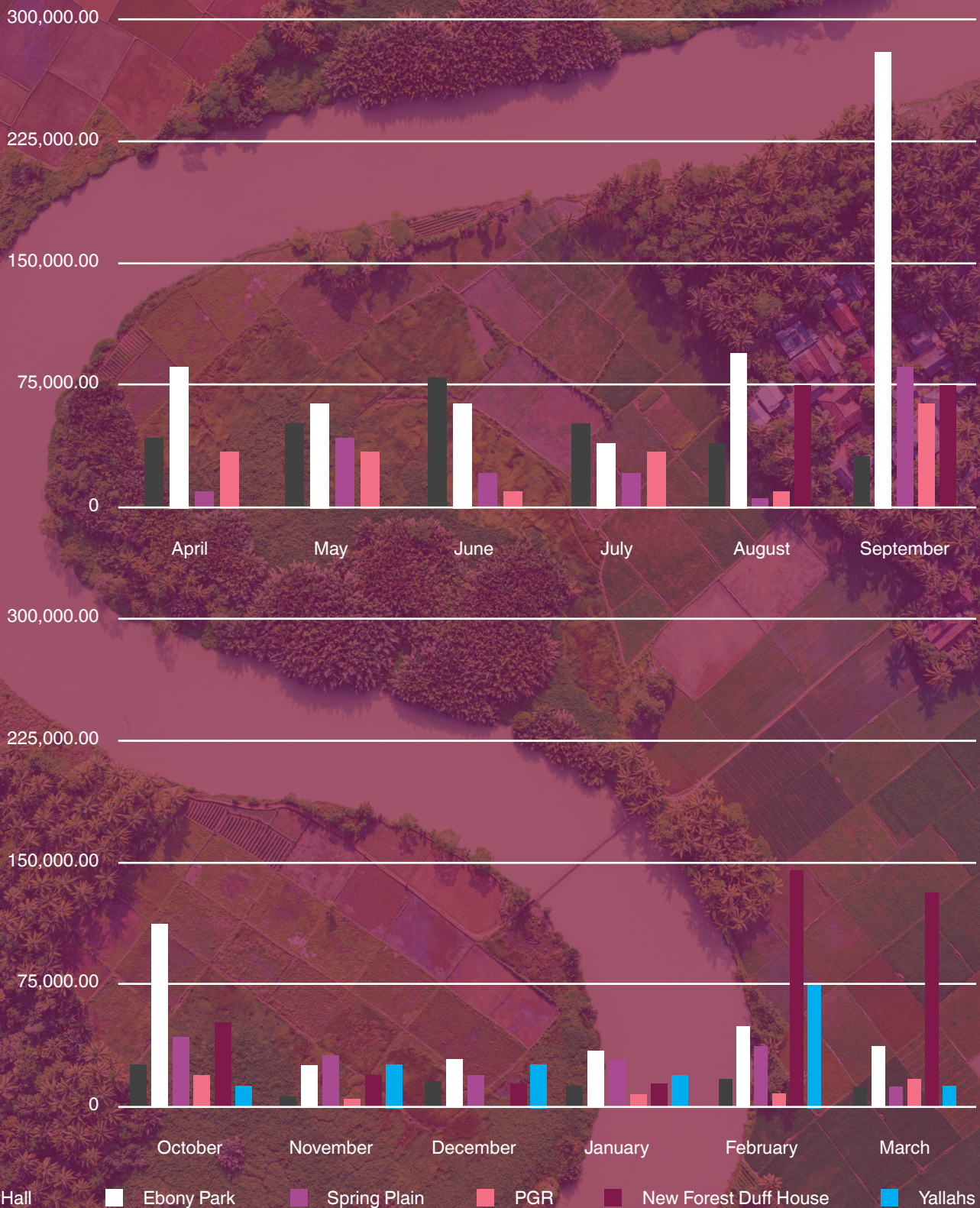
Strategy	Performance indicator	Target (2019/2020)	Performance/ Achievement	Total performance On/Off	Explanation
	% utilization of arable land	80%	71.6%	Off	
	# of kg harvested / Metric tons of products produced, substituted for imports and exported from the Agro parks	2,400,000.00 kg 2,400.00 mt	<ul style="list-style-type: none"> • AH – 399,902.43 kg • EP- 929,358.17 kg • SP – 367,687.55 kg • PGR – 230,681.29 kg • NF/DH- 542,299.32 kg • Yallahs- 169,743.54 kg <p>Total (Kg)– 2,639,672.30 kg Total (mt)- 2,639.67mt</p>	On	
	Value of agricultural output from Agro Parks	\$288,000,000	\$316,760,676	On	
	# of tractors operational	4 tractors operational	2 tractors operational- Two Case Tractors operational	Off	Requires budgetary support for repairs to be done
	# of Farms GlobalGAP certified resulting in increased market access & increased demand driven production	41 Farms Global G.A.P. certified	<ul style="list-style-type: none"> • 44 Farms/farmers Global G.A.P. certified • 5 GG Facilities certified. • 14 Commodities Global G.A.P certified- Pepper (hot and sweet), cassava, melon, onion, pumpkin, sweet potatoes, Callaloo (Amarantha), tomatoes, cucumber, Sorrel, Cabbage, Okra, Papaya, Thyme 	On	
	# of finance windows created and farmers having access to credit resulting in increased production	4 finance windows	1 Financial window – JN loans	Off	

Strategy	Performance indicator	Target (2019/2020)	Performance/ Achievement	Total performance On/Off	Explanation
Develop production, marketing, distribution, and quality management systems for three (3) AEZs; demonstrate best practices and appropriate technologies in AEZs value-chains	# of AEZs scoped & assessed	2	Holland Estate	Off	
Rapid research, experimentation, innovation; opportunity discovery and validation; public-private partnerships on pilot projects; and mobilization of private capital in new and downstream commercial ventures	# of MOU established with a research institution	2 Memorandums of Understanding established/ Service Level Agreements	4 MOU -NCU Variety Trial, Dept. of Chemistry-UWI, YIA, Imagination Farms 3 Contracts- Grace, Spring Garden Processors and Duncons export company	On	Through collaborative efforts and assessing the needs of educational institutions, youths and established Farms.
	# of international learning journey completed	1 international learning journey completed	None	Off	This is due to lack of funds. Requires budgetary support.
	# of local learning journey completed	7 local learning Journeys	6 local learning Journeys <ul style="list-style-type: none"> • Compete Caribbean cluster development plan workshop • Bodles Research Station Monthly seminar • International Farmer Assurer • Internal Audit training • QMS management training • Agricultural Export Complex and Export Company (Tropical Foods and Carita).This included all Agro Parks 	On	

Strategy	Performance indicator	Target (2019/2020)	Performance/ Achievement	Total performance On/Off	Explanation
	# of field experiments conducted	5	2 Field experiments <ul style="list-style-type: none"> • Experimental plot done by Red Stripe with Cassava trial plot • Hi-Pro Garlic Trials 	Off	Lack of budgetary support as well as difficulty with sourcing planting material
	# of sustainable value chains established	1 new value chain developed and 2 maintained	2 value chains sustained, Cassava and Sweet potato. (On target)	On	
	# of structured marketing arrangement in place resulting in a 20% increase in production				
Create entrepreneurial and employment opportunities in agribusiness; mobilize resources to facilitate investments by target demographic segments and prioritize investments to contribute to national economic and social targets	# of investors operating in the Agro Parks.	200 investors operating on the Agro Parks	206 investors operating on the Agro Parks	On	
	# of persons employed in the Agro Parks	1,000 employees	634 employees	Off	
	# of youths, women and other target groups investing in the Agro Parks	60	61	On	

AGRO PARK PRODUCTION

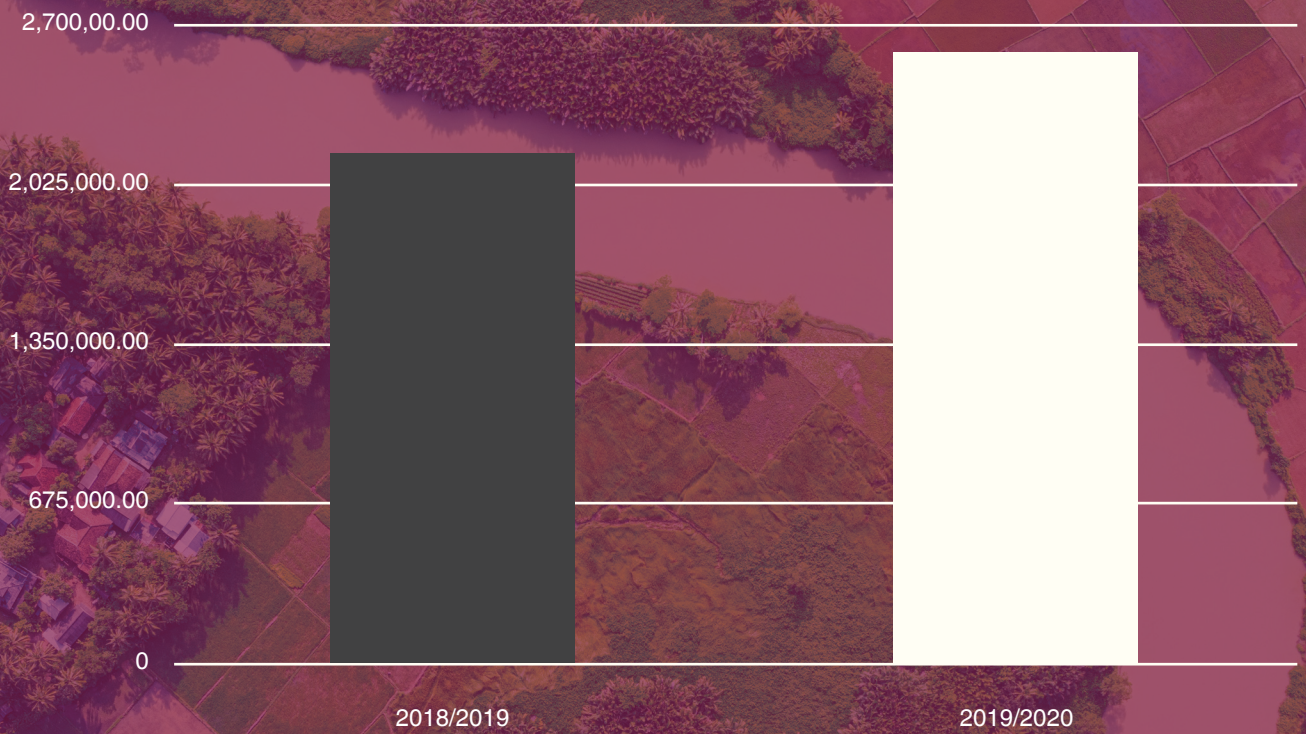
(kg) 2019/2020



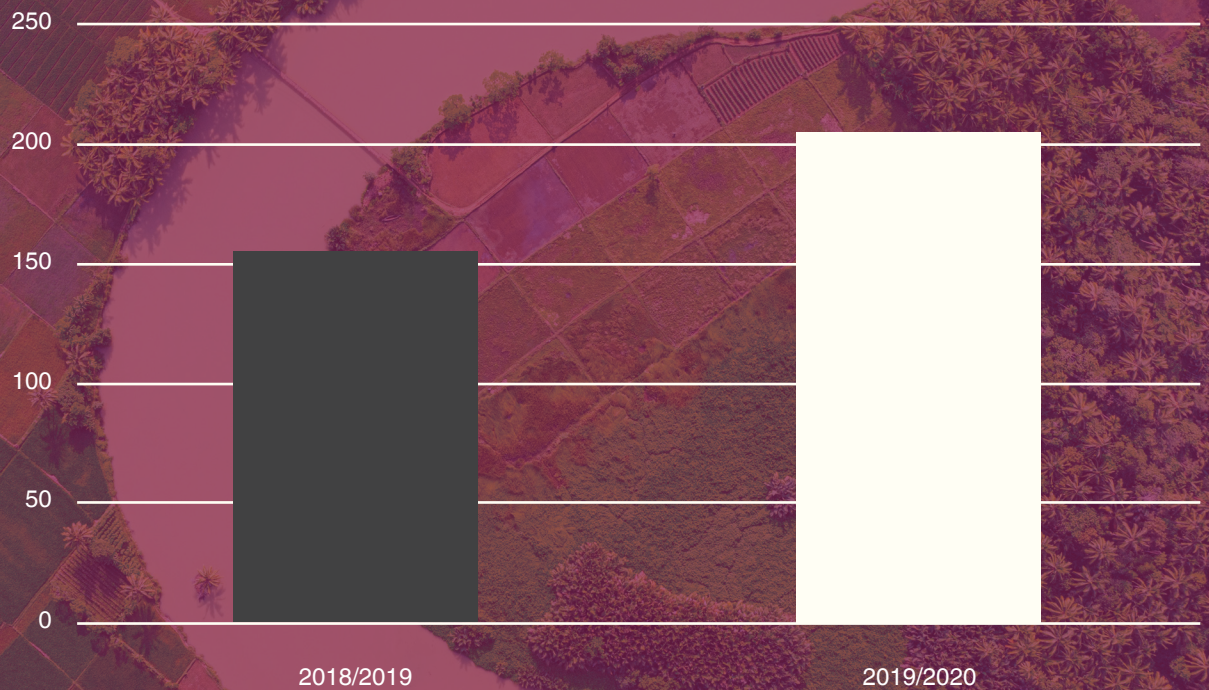
Graph 1. The Agro Park gross production figure for the financial year 2019/2020 was 2,639,672.30 kg, representing an increase of 477,391.09 kg or 18.09% over the previous financial year. The net increase was attributable to new market linkages and more arable lands made available for production activities.

AGRO PARK HARVEST

(kg) 2018/19 - 2019/20



NUMBER OF INVESTORS



AGRO PARK DEVELOPMENT

The Agro Park performance during the 2019/2020 financial year has highlighted opportunities and challenges for the various Agro Parks. Notwithstanding that, the programme has continued on its trajectory of high performance in crop production, innovation, and capacity building. It has strategically placed Agro Invest as forerunners in Food Safety and Security and increase efficiency in areas where necessary.

The major highlight of the financial year was the Global GAP Certification of all seven (7) Agro Parks, which positions investors as competitors in international markets. Other successes seen during the period were technology in agriculture, market linkages, production and productivity, and collaboration with stakeholders on various projects.

Throughout these successes and learning curbs, there have been resignations of staff members as well as promotion and hiring of technical persons. We remain committed in our objective to facilitate the expansion of the productive capacity of the agricultural sector by building out infrastructure to support investments in the production of selected crops directed towards import substitution and replacement as well as the provision of raw material for agro-processing and non-traditional exports.

International Competitiveness

GLOBAL GAP CERTIFICATION PROGRAMME

Global GAP is an internationally recognized standard. These standards speak to food safety and traceability, the environment, Quality Management Systems (QMS), hazard analysis, workers' health safety and

welfare, Integrated Crop Management (I.C.M), and Integrated Pest Management (IPM). The results of the 2019/2020 Global GAP certification are below:

- 44 Farms/farmers Global GAP certified from Plantain Garden River and Yallahs (St. Thomas), Ebony Park/Spring Plain (Clarendon), New Forest/Duff House, and first-time audited and newly certified, Amity Hall Agro Park (St. Catherine). PGR came out of the 2018/2019 surveillance audit with the highest score due to the high performance of the Park.
- 5 Global GAP Facilities certified, one of which was the Amity Hall Agro Park's newly constructed facility that includes a Packing House, chemical storage rooms, and a Co-operative office.
- 14 Commodities were Global GAP certified on the Agro Parks. These include: Pepper (hot and sweet), cassava, melon, onion, pumpkin, sweet potatoes, Callaloo, tomatoes, cucumber, Sorrel, Cabbage, Okra, Papaya, and Thyme.

With an increase in the number of retailers demanding certification from their producers to manage the risk of food safety issues, the Global GAP programme will be crucial in targeting lucrative international and local markets. As Jamaica forges to have its own National Food Safety Standards, Agro Invest, through the Agro Park Development Unit, will play a vital role in its establishment.

TECHNOLOGY IN AGRICULTURE

Technology adaption in the various Agro Parks across the island throughout the financial year 2019/2020 has played a crucial role in the increased production and productivity. These were seen through

new and improved technologies, Experimental and Demonstration plots, and the introduction of non-traditional crops. These initiatives will be utilized to move investors towards precision farming.

The Agro Park Unit, as part of its water management programme, has demonstrated and emphasised the benefits of using drip irrigation in contrast to sprinklers. With NIC's improved irrigation system, which has increased the flow rate over a longer time, investors can utilize the drip irrigation method of water management. This system has proven to reduce fertilizer waste and is more productive.

With the continuous introduction of new and innovative equipment, the projected increase in production will be exponential. For example, the procurement of a Hydraulic harrow was highly effective as it could carry out work on heavy clay soil and in waterlogged areas.

The results of the 2019/2020 Pumpkin Trial conducted at the Amity Hall Agro Park are being used by the investors to meet the demands of exporters, supermarkets, and other local markets by surpassing the national/marketable yield. The Onion Demonstration plot in PGR Agro Park, exhibited crop-specific good agricultural practices that best suits that microenvironment. The general Cucurbits trials (Cucumber and Pumpkin trials) conducted in Ebony Park, Spring Plain, and Amity Hall Agro Parks resulted in more farmers showing interest and planting these crops.

The introduction of non-traditional crops such as sweet corn in the Ebony Park agro Park has been exciting interest, as the fast-food market demand increases.

Throughout the period, there has been an introduction of various new systems for data collection, investor

documentation, and data analysis. In the Financial year 2020/2021 and onwards, the Agro Park Unit will be intensifying its efforts to make technologies available throughout its operation to benefit all stakeholders.

MARKET LINKAGES

The projected number of established linkages was surpassed and maintained throughout the financial year. Markets for crops such as Escallion, Cassava, pepper, and Sweet corn (linked to the fast-food chain) and other produce have continued to be supplied regularly by the millions of pounds, weekly. These feed into the Agro-processing, export, and domestic markets. There will be a continuous increase for the need of fruits and vegetables as the Agro processors position themselves to meet the demands of the ever-increasing health-conscious consumers in the metropolitan areas.

SOCIAL EQUALITY STRENGTHENING

The Agro Park Development programme continues to support equity expansion in the various Agro Parks across the island. The involvement of women and youth investors is an essential part of this programme.

Social equality strengthening has shown a positive impact on the Agro

Parks environment by increasing employment and earnings. This had had a significant impact on job creation and the leveraging of opportunities for the vulnerable and marginalized groups.

PROJECTS

Essex Valley Agriculture Development Project (EVAP)
The Essex Valley Agriculture Project is a collaboration between Agro Investment Corporation and the National Irrigation Commission (NIC). The objective of the project is to fully develop Seven hundred and fifty hectares (750 ha) of lands with irrigation, roads, drainage and administrative buildings. The key developments for the financial year were as follows:

- Eight (8) Wells drilled, five (5) productive
- Total yield of 1500m³/hr from 5 Wells.
- Finalization of the design parameters
- Contracts completed for the period were as follows:
 - Global GAP Assessment
 - Well Monitoring Equipment
 - Cadastral Survey
 - Financial Audit

There were farmer training and engagement during the period as follows:

- Cluster training- 70% completed
- 1 Farmer Group formed and registered as a Benevolent society

Southern Plains Agricultural Development (SPAD) Project
The SPAD Project is another important collaboration between AIC and NIC. The objective of the project is to develop Seven hundred and ninety four hectares (794 ha) of lands with irrigation, roads, drainage and administrative buildings in order to enhance agricultural production. The key developments for the financial year were as follows:

- The contract was signed and executed for Well drilling work
- Drilling is currently at 160 FT. The contractor reached water level in the limestone aquifer at 145 FT.
- The Land surveying Terms of Reference has been prepared and reviewed for finalization.



THE PROPERTY & FIXED ASSET

The department's mandate is to ensure the optimal use of the Corporation's assets by way of maintaining the fixed assets register, the rental of properties, negotiating and enforcing leases as well as the acquisition and disposal of properties.

The assets under the department's portfolio include: lands, buildings, machineries and equipment. The Corporation's real properties are: the

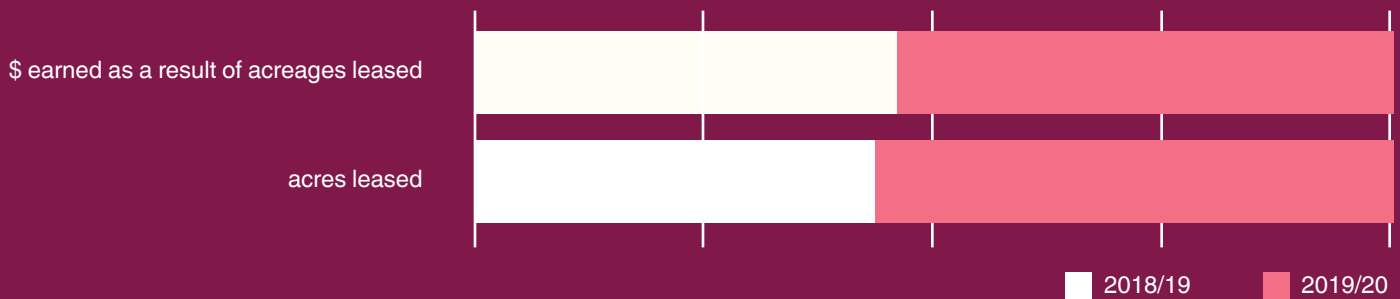
Agricultural Marketing Corporation (AMC) Complex; its outstations (Wait-a-Bit, Trelawny; Christiana, Manchester; Browns Town, St. Ann; Darliston, Westmoreland and Guys Hill, St. Catherine); Agro-Parks and the production zones.

NEW INVESTORS

The previous reporting period peaked at a total of 3,499 acres of

land leased. In contrast, the current reporting period ended with 3,884 acres leased. The current reporting period showed an increase of 11% and a contribution of Fifteen Million Five Hundred Thousand Dollars (\$15,500,000.00) in revenue. See graph below.

NEW INVESTORS 2018/19 vs 2019/20



In the fourth quarter of the reporting period, due to the Covid-19 Pandemic, the lease management process was significantly affected.

AGRICULTURAL INNOVATION - WEST INDIAN SEA ISLAND COTTON

The department collaborated with the Jamaica Agricultural Development Foundation (JADF) and facilitated the first ever West Indian Sea Island

Cotton initiative on the Agro-Parks or in the production zones. The Cotton Industry is an emerging one for which there is a high demand for its export. 50 acres of unirrigated lands were subsequently leased to Island Health Enterprises Limited, who projected that at the end of year 3 of producing the West Indian Sea Island Cotton and exporting same, the company stands to reap Forty-One Million Two Hundred and Fifty-Nine Thousand Six Hundred and Forty Dollars

(\$41,259,640.00) in profit. If Island Health Enterprises Limited successfully achieve its goals, the data will then be used to develop an investment profile to attract new investors to the sector.

YOUTHS IN AGRICULTURE PROGRAM

During the period a total of 11 youth investors were leased 5 acre blocks of land in the Spring Plain Agro-



Park under the Youths in Agriculture Program. This program incentivize and increase the interest of young persons (18-35 years) to become more involved in agriculture. All plots leased under the program are currently being utilized according to the Agro-Invest Production Standard (75%).

NEW PROPERTIES

As a strategy to increase investment in the agricultural sector, during the reporting period, the Property and Fixed Asset Department had successfully negotiated the acquisition of four new properties totalling 1,746.5 acres with an unimproved value of Two

Hundred and Six Million Dollars (\$206,000,000.00). (Source: NLA 2013.) See table below.

Property	Size (acres)	Unimproved value (\$)
Parnassus, Clarendon	778	64,000,000.00
Bridgepen, St. Catherine	486	103,000,000.00
Enfield, Westmoreland	350	25,000,000.00
Fort Stewart, St. Mary	132.5	14,000,000.00
Total	1,746.5	206,000,000.00

In the upcoming period (20/21), these properties will be developed with the requisite infrastructure, such as roads, drainage and irrigation network, to convert the properties into production zones.

AMC OCCUPANCY

The Agricultural Marketing Complex, located at 188 Spanish Town Road is approximately 104,084.70 sq ft. (9,669.79 sq. m). At the end of the reporting period, approximately 77% of warehouse/packing houses and 90% of office spaces were leased.

The remaining offices and warehouse spaces require extensive repairs for leasing. However, these facilities will be leased on a 'as is where is' basis in the next financial year.

At the end of the reporting period, there were twenty-three (23) tenants occupying office and warehouse spaces. Approximately eight (8) of those tenants were involved in agro-processing for the export market, while the remainders were involved in different trading and packing activities.

ASSET REGISTRY

During the reporting period, the Corporation's fixed asset registry was updated and verified by its Internal Auditor as well as MICAF's Auditors. The registry revealed that the Corporation was the owner/ manager for 26 parcels of lands totalling 13,076 acres with an unimproved value of One Billion Eight Hundred and Ninety-Two Million Eight Hundred Thousand Dollars (\$1,892,800,000.00). (Source: NLA 2013).

Summary of Achievements for 2019/20 and Projections for 2020/2021

Programme & Budget No.	Performance Indicators	Performance Target 2019/2020	Actual Result 2019/2020	Variance	Revision/ No Revision/Remarks	Forecast & Cost 2020/21 (000)	Expected Results
Agro-Investment Corporation Property & Fixed Asset Management	# sq. ft. of main warehouse renovated, certified and leased.	12,500 sq. ft. of main warehouse space renovated and certified to meet FSMA standards.	0% (0 sq. ft) of main warehouse space renovated and certified to meet FSMA standards.	100%	This activity was planned to commence in the second quarter. However, there was a lack of budgetary support to carry out the require scope of renovation. Consequently, the department has leased the 12,500 sq. ft on a 'as is where is basis' for storage goods under short term tenancy agreement.	Renovation of 12,500 sq. ft of main warehouse (three packing house) to cost J\$15,000,000	0%
		This will result in an increased export of 1,500 tons of non-traditional produce	No increase in the export of non -traditional produce/ no increase in rental earning		This has resulted in net rental income of \$8,400,000 p.a	This will result in increased export of 1,500 tons of Non -Traditional produce to new markets.	The uncertainty surrounding the Ministerial Directive for public/private partnership for the redevelopment of the AMC Complex continues to affect the long term planning and management of the facility.
	# chill rooms operational and leased	1 chill rooms operational and leased	100% (1 chill room operational and lease)	0%	The department has taken a strategic decision to lease remaining 5 chill room on "As is where is" basis.	100% (1 chill room operational and lease) \$1,200,000 in rental per annum	100%
		\$1,800,000 in net rental per annum	\$1,800,000 in net rental per annum				

Programme & Budget No.	Performance Indicators	Performance Target 2019/2020	Actual Result 2019/2020	Variance	Revision/ No Revision/Remarks	Forecast & Cost 2020/21 (000)	Expected Results
	# of packing bays operational and leased	18 packing bays operational and leased. This will result in 120 on premises jobs and 1,800 nation wide	89% (16 packing bays operational and leased). This will result in 110 on premises jobs and 1,600 nation-wide.	11%	The remaining packing houses are requiring repairs and renovations and therefore will be leased on a 'as is where is' basis.	18 packing bays operational and leased This will result in 135 on premises jobs and 3,000 nation wide	100%
	# sq.ft of warehouse leased.	27,686 sq. ft. of warehouse leased (levels 1, 2 & 3) \$9,300,000 in rental per annum	100% (27,686 sq. ft of warehouse leased (1, 2 & 3) \$9,300,000 in rental per annum	0%		27,686 sq. ft of warehouse space leased on levels 1, 2 & 3) \$9,300,000 in rental per annum	100%
	Sq.ft of office space and leased.	13,546.84 sq. ft. of office space leased \$4,700,000 in rental per annum	89% (13,023.44 sq. ft. of office space leased) \$4,500,000 in rental per annum	4%	Tenancy void	13,546.84 sq. ft. of office space leased \$4,500,000 in rental per annum	100%
	# of hectares of land leased	1,600 ha of land leased \$15,500,000 in rental per annum	98% (1,572.16 ha of land leased) \$15,200,000 in rental per annum	2%	Tenancy void (unoccupied period with no rental income due to tenants turn over) as a result of revocation exercises or tenants leaving at will	1,650 ha of land leased \$16,000 in rental per annum	100%



AGRO-INVESTMENT CORPORATION

2019/20 Annual Report

PROJECT DEVELOPMENT

The Project Development Department is the driving force behind investment promotion and facilitation, project and market development for a viable and sustainable agricultural and agri-business industries in Jamaica.

The priorities for the department are:

- Increase public awareness, attract and facilitate investments in agriculture.
- Increase the competitiveness of Jamaica's agriculture in domestic and global markets.

The main services include:

- Identification of investment opportunities and the packaging of the same investments to investors
- Preparation of development and business plans, project proposals, business cases and concept papers
- Guiding potential investors through the stages of the investment process up to project implementation
- Providing investment advice, business counselling, technical and marketing support services.

1. TRADE SHOWS & INVESTMENT EVENTS PLANNED AND EXECUTED

We are instrumental in the planning and execution of the following events:

- Cattle Breeders Society Cattle Appraisal held at Minard Estates Farm on July 17, 2019
- The Minard Livestock Show

and Beef Festival is an Annual event that is sponsored by Agro-Investment Corporation by the use of Minard Estates Farm. The theme for the 20th staging of the Minard Livestock Show and Beef Festival held on November 14, 2019 was "Empowering Youths through Livestock Production for National Development". This year's activities were designed to highlight the importance of the livestock industry and stimulate youths into making a meaningful contribution to the development and expansion of the industry.

2. BUSINESS CASES, CONCEPT NOTES, BUSINESS PLANS, GRANT PROPOSALS, COMPLETED

The Project Development department developed five (5) Agri Business Plans for private investors. The successful implementation of these plans would contribute approximately JMD 337M to the agricultural sector. The main focus of the Business Plans are:

- Crops for medicinal purposes – Cannabis
- Crops for Agro processing – Hot Pepper, Ginger, Tomato
- Crops for export - Turmeric, Pumpkin
- High value orchard crops such as; Mango, Coconut, Avocado, Ackee, Timber and Soursop
- Livestock- Beef and Small Ruminant production

Project Proposals

Eight (8) project proposals were developed, some of them are highlighted below:

A. Project Proposal for Agro Park Farm Vehicle and Machinery

This project seeks to procure and outfit the Agro Parks and Minard Estates with Farm Vehicles, Tractor and Implements. The budget for consideration is JMD 83M.

The proposal was considered at Public Investment Management Secretariat (PIMSEC) and Public Investment Management Committee (PIMC).

B. Project Proposal for Agro Park Infrastructural Development

This proposal was developed to assist the Agro Parks with developing four main components. The components of the Infrastructure development project proposal are as follows:

- Infrastructure development : Road , Irrigation & Drainage
- Cold Storage
- Office Upgrade and
- Pilot for Security

The proposal was considered at Public Investment Management Secretariat (PIMSEC) and Public Investment Management Committee (PIMC).

C. Small Ruminant Hay Project

On behalf of the Small Ruminant Association of Jamaica, a Hay project which seeks to establish production operation on 40.8 ha (100 acres) of land. The project is intended to impact positively on national small ruminant feed supply.

The project's outputs expected are as follows:

- Achieve and maintain targeted hay production of 356 bales of hay per Acre
- Assist in satisfying the current demand for hay by the dairy, beef and small ruminant farmers.
- Assist in lowering the price of hay by increasing the supply of hay in the market.
- Providing low cost, high-quality alternative feed source that is capable of meeting the nutritional needs of animals during prolonged drought periods.
- Adoption of improved technology to improve farm productivity and lower production cost
- Establishment of efficient management practices to ensure the constant supply of quality hay to satisfy established market.
- To ensure profit accumulation from hay production and sales

D. Amity Hall Hay Production Project

This project is a partnership between Agro-Investment and the Jamaica Dairy Development Board. It seeks to re-establish 100 acres of hay at Amity Hall.

The estimated cost of the project is approximately JMD60 M.

E. Amity Hall Farmers Cooperative Farm Equipment Project Proposal

The project seeks to increase productivity, improve efficiency and agricultural output for farmers within the group who produce on the Amity Hall Agro Park. The estimated cost of the project is JMD 12 Million.

F. Project Proposal for the Ebony Park Agro-Park Packing House Renovation And Equipment

A Project Proposal was developed for the Ebony Park Agricultural Cooperative (EPAC). The purpose of the project is to increase value chain productivity and improve efficiency for members of EPAC through the rehabilitation of the Ebony Park Agro Park Packing House and the provision warehouse equipment. The budget consideration is JMD 13 Million.

G. Project Proposal for the Jamaica Organic Agricultural Movement (JOAM)

This document outlines the salient features of a prime investment opportunity for a private agribusiness investor to invest in JOAM Organic Agro Park for the production and export of organic produce to the United States. The document was submitted to the Chinese embassy for consideration.

Seven concept notes were developed /updated , including:

1. Agro – Invest's 10th anniversary celebration.
2. Investment Seminar #1 - The intended objectives are as follows:

- a. Stimulating interest in the agri sector
- b. Providing a medium for exporters to gain valuable information on customs regulations and upcoming changes to ensure a smooth entry into overseas markets
- c. Providing the forum for networking among key stakeholder interests
- d. Making linkages to support increased production on the agro-parks
- e. Information sharing on packaging and storage requirements
- f. Awareness of phytosanitary

requirements

3. Investment Seminar #2 - The objectives of the seminar are:

- g. Bringing together organizations and individuals who have an interest in the development of agriculture in Jamaica to propel growth and investments in the sector.
- h. Providing Agro-Invest with a clear indication of the needs of investors, primary producers and secondary users of agricultural produce to guide production planning on the agro-parks for the 2020/2021 fiscal year.
- i. Identifying the acreage required for the expansion of the agro-park program in line with demand from Jamaica's largest processors.
- j. Matching agro-park investors to lucrative contract opportunities.
- k. Establishing Agro-Invest as the premier agricultural investment facilitation entity.
- l. In addition, the event will provide an excellent opportunity for networking and for communicating Agro-Invest's new projects and programs.

4. The Small Ruminant Registry. The Small Ruminant Registry will assist in advancing the development of the agriculture industry by enabling easy retrieval and management of small ruminant data across the island. The prototype was tested at the Small Ruminant General meeting held on January 30, 2020.

A business case was developed for the AMC complex. This business case presents four (4) options as follows:

- One Investor subleasing to multiple tenants
- Multiple Investors subleasing to

multiple tenants

- Pooled-fund Investment Vehicle
- Complex remaining 'As Is'

The Estimated Cost of the Project is approximately JMD 292M.

A Global Gap Infrastructure Management Plan was developed for the Essex Valley Agriculture Development Project and submitted to the Caribbean Development Bank (CDB).

3. CONTRACTS/ MOU SIGNED

A MOU was signed with the Jamaica Dairy Development Board for the development of an additional 10 acres of Mombasa Grass at Minard Estates Farm. The project was implemented on June 7, 2019.

4. PARTICIPATION IN PROMOTIONAL EVENTS

The Corporation participated in the fourteen (14) promotional events:

- Clarendon Agro Economic Symposium
- St. Mary Agro Show
- St. Bess Agri Fest
- Jamaica Health & Wellness Tourism Conference
- Chapleton Farmers Market
- Essex Valley Open day
- H & L Agro information session held at the PGR Agro Park
- Essex Valley Farmer Group Sensitization and assessment session
- Monymusk stakeholder sensitization
- Of noteworthy mention are:
- Agro Invest 10th Anniversary Church Service which was held on June 2, 2019 at The

Boulevard Baptist church. The Minister of Industry, Commerce, Agriculture and Fisheries Hon. Audley Shaw delivered greetings.

- Along with the Corporation's Chief Executive Officer, members of the Project Development Department attended the 8th Biennial Jamaica Diaspora Conference Plenary Session on agriculture.
- The Agro-Investment Corporation participated in the 2019 staging of the Denbigh Agricultural Show by way of a booth display and also by showcasing select cattle from the Minard Estates. Agro Invest is a staple at the annual event and has had a growing presence and increasing impact each year.
- We participated in the Plant Doctor Clinic held on the Amity Hall Agro Park on October 30, 2019. Plantwise is a global programme led by The Centre for Agriculture and Bioscience International (based in the United Kingdom). The implementation of the programme aims at enhancing extension delivery and plant health in Jamaica, through training of plant doctors, implementation of plant doctor clinics, building knowledge base and public awareness.
- Agro-Invest participated in the handing over of plots of land to former Monymusk Sugar workers who expressed an interest in engaging in farming. This initiative is in keeping with the Government's commitment to assist the former sugar factory workers of Monymusk with alternative sources of livelihood. The launch of the agricultural project for the displaced Monymusk Sugar

Factory Workers was held on February 20, 2020.

5. INVESTMENT PROFILES PRODUCED

We completed 9 new investment profiles:

- Ginger
- Turmeric
- Irish Potato
- Coconut
- Cotton
- Castor Bean
- Warehouse at Spring Plain Estate, St. Jago Road, Toll Gate Clarendon
- Warehouse at Sedburgh, Manchester
- Goat Investment Proposal

Updated:

- Sweet Potato
- Pineapple
- Mango

6. MARKETING CAMPAIGNS ADVERTISING MEDIA LIAISON, PUBLIC RELATION

We participated/facilitated over 12 Marketing Campaigns/Advertising/Public relation activities, some of which are highlighted below:

1. Radio Interview with Power 106:

- St. Bess Agricultural Fest - May 31, 2019
- Featured on Power 106's "Both Sides of the Story" programme with Dervan Malcolm where the Corporation's Essex Valley Agricultural Development Project, Business Planning and

Project Management services were highlighted.

- Denbigh Agricultural and Industrial show - August 4, 2019

2. JIS television feature which was aired on April 14, 2019, entitled Farm Tech: Nurturing the Soil. Two persons on the Agro Park were featured on this episode.

3. Agro- Investment Corporation was featured in the Magazine Publication - : The business year”.

4. On June 25, 2019, Agro-Invest’s membership was approved to be a member of the Jamaica Chamber of Commerce.

5. The Project Development department participated in the Agro –Park department Global GAP audit process which span from October 8- 18, 2019.



MINARD ESTATE



1.0 OVERVIEW

The Minard Estate Farms in Brown's Town St. Ann is home to the praised Jamaica Red Poll, Black Poll and Brahman cattle breeds. The Agro Investment Corporation envisions the farm as being the primary source of the three local beef cattle breeds for breeders seeking to improve their herd quality. The operations at the estate are geared towards conservation and further development of the three local beef cattle breeds through continuous genetic improvement which utilizes independent culling to select replacement heifer and bulls.

1.1 CATTLE SALES

The sale of seedstock (weaners, heifers and young bulls) continues to be the biggest income generator with 102 animals being sold last year which is 18 less than the previous year. The decrease in seedstock sale is the result of efforts to drive herd expansion. Seedstock sale is seconded by cull animal (undesirables from all cattle classes) sale with 101 animals being sold; 47 more than the previous year. The increase in cull animal sale is the result of ridding the breeding herd of poor producers to improve overall herd productivity. With increasing demand for seedstock locally and

internationally, Minard Estate Farms is positioned as a repository for superior genetics and is a major stakeholder that is vital to the continuity of the three local beef cattle breeds.

1.2 LOAN BULL SCHEME

The farm actively participates in the loan bull scheme; under such agreement, bulls are loaned to farmers in an effort to improve the quality of their herds through the introduction of tested and proven genetics. Conversely, the estate can gain access to new bloodlines through loan bulls to widen the gene pool on the farm. With the increasing demand of semen Minard Estate Farms has partnered with the Bodles Research Station for the collection, processing and storage of semen from bulls grown on the estate.

1.3 PASTURE ESTABLISHMENT AND RENOVATION

Through concerted efforts, 10 acres of Mombasa fodder bank was established to ensure large volumes of nutritious forage is always available on the farm. Furthermore, grazing pasture quality has improved significantly through various practices (fertilizing, pasture cleaning, soil aeration and grass planting etc.) that were utilized. Great benefits have

also been reaped from more effort being placed on fence maintenance which directly contributes to pasture rotation, resulting in adequate resting periods thus reducing overgrazing to extend the productive life of pastures.

1.4 DENBIGH AGRICULTURAL, INDUSTRIAL AND FOOD SHOW

Nineteen heads of cattle (6 Jamaica Black, 9 Brahman and 4 Red Polls) were shown at the 67th staging of the Denbigh Agricultural, Industrial and Food Show. A total of 26 prizes were won, 10 first place ribbons, 6 second place ribbons, 5 third place ribbons and 5 trophies. The trophies were awarded for: Champion Black Bull, Champion Black Heifer, Champion Brahman Female and Champion Beef Calf.

Of noteworthy mention, THE RICHARDS & BETTY WATES TROPHY was awarded to the farm on the merit that the Brahman cattle shown averaged the highest individual points per animal, having shown 10 or less Brahmans. This successful showing demonstrates that The Minard Estates Farm has some of the best genetics in the island that can rival and even outcompete other prominent local cattle farms.



CURRENT PERFORMANCE

Major Activities	Intended Results	Performance Indicators	Target 20/21	Actual Result 20/21	Target 2021/22
Minard Estate Farms Development & Sustainability	Generating income for the farm and decimating proven genetic to development of the three local beef breeds.	# of weaners sold	110	9 On (On Target)	92
	Generating income for the farm, decimating proven genetic to development of the three local beef breeds and helping to supply the local beef demand.	# of other commercial animals sold	63	17 (On Target)	24
Pasture Recovery and Maintenance Programme	Maintaining existing pastures and recovering those in ruinate.	# of acres chopped and cleared	100 Acres	91.88 Acres chopped, 10.66 acres sprayed and 39.87 acres fertilized (On Target)	100 Acres
	Converting commons into pastures with high yielding and more nutritious improve forages.	# of acres recovered and seeded	100 Acres	1.86 Acres manually planted (Off Target)	100 Acres
Minard Estate Farms Cattle Breeding Programme	Determining if bulls are able to successfully breed majority of the cows in the assigned herd within a specified period	BSE Report generated by Vet and submitted to Management within established timeframe	1	Partially Done (Body Condition Score was done, however, semen evaluation was not done due to the Electro Ejaculator Malfunctioning) (On Target)	1
	Determining the number of exposed females that are pregnant.	Report generated by Geneticist and submitted to Management within established timeframe Conception rate of 80% achieved post pregnancy testing (50-60) days into programme	80%	The breeding season was concluded at the end of August; hence, pregnancy testing will be carried out in November. (On Target)	75%
	Identifying superior bulls to be used for future breeding.	# of Performance Test done	1 Completed	1 (On Target)	1

HUMAN RESOURCE & DEVELOPMENT

The goal of the Human Resource Department is to assist the Corporation in achieving its strategic mission and objectives by partnering with all internal/external stakeholders. The department’s aim and commitment is to maintain this ongoing collaboration and teamwork with its human capital.

The department manages a staff complement of 53 employees and is responsible for:

- Directing and facilitating the day to day human resource management activities
- Supporting the Corporation in executing strategic initiatives to attract, develop and retain highly skilled and productive employees.

Objectives 2019-2020	2019 - 2020		2020 - 2021	Remarks
	Planned Target	Achievements	Target	
To recruit and select suitable persons to fit the vision and mission of the Corporation thus strengthening its ability to attain growth	A total of 7 persons to be recruited based on the request and needs of the Corporation	A total of 11 persons were employed to fill vacant posts	A total of 7 persons are targeted to be recruited based on the request and needs of the Corporation	Factors such as resignations and dismissal/ terminations of contract had resulted in the increase in number.
To assess, identify training needs and collaborate with the necessary training institutions to provide training throughout the financial year	A total of 20 persons targeted to be trained in various areas to achieve set goals and objectives of the Corporation	Approximately twenty-three (23) persons participated in external training. This includes participation in workshop/seminar/ conference.	A total of 10 persons targeted to be trained in various areas to achieve set goals and objectives of the Corporation	Factors such as budgetary constraints may affect the results.
To facilitate a planned programme of institutional strengthening and capacity building within the Corporation toward achieving efficiency and effectiveness through creating/reviewing/updating job descriptions	A total of 8 job descriptions were targeted to be reviewed and revised for the period	The HR Department had partnered with the internal and external stakeholders and reviewed, revised and update a total of 13 job descriptions	In order to strengthen and improve performance effectiveness within the Corporation the HR Dept planned to create/review/update a total of 8 job descriptions	

Objectives 2019-2020	2019 - 2020	2020 - 2021	Remarks
To promote work-life balance and wellness by coordinating/sensitizing employees of the various health issues, through health programs/workshops/presentations and by utilizing other preventative measures by the end of the financial year	To promote work-life balance, the HR Department planned to coordinate 3 health and wellness session for the period	No health and wellness sessions were done for this period	To promote work-life balance, the HR Department plans to coordinate 1 health and wellness session for the period
To manage/co-ordinate social events/incentive programs that will enhance synergy, improve working relationship and stability within Agro-Invest throughout the financial year	Approximately 4 events were targeted for the period	A total of 3 events were accomplished for the period. Namely: social/ Team Building events	The HR Department planned to coordinate 2 social events for the period
			A factor such The current COVID-19 pandemic my affect the results.

OTHER ACHIEVEMENTS

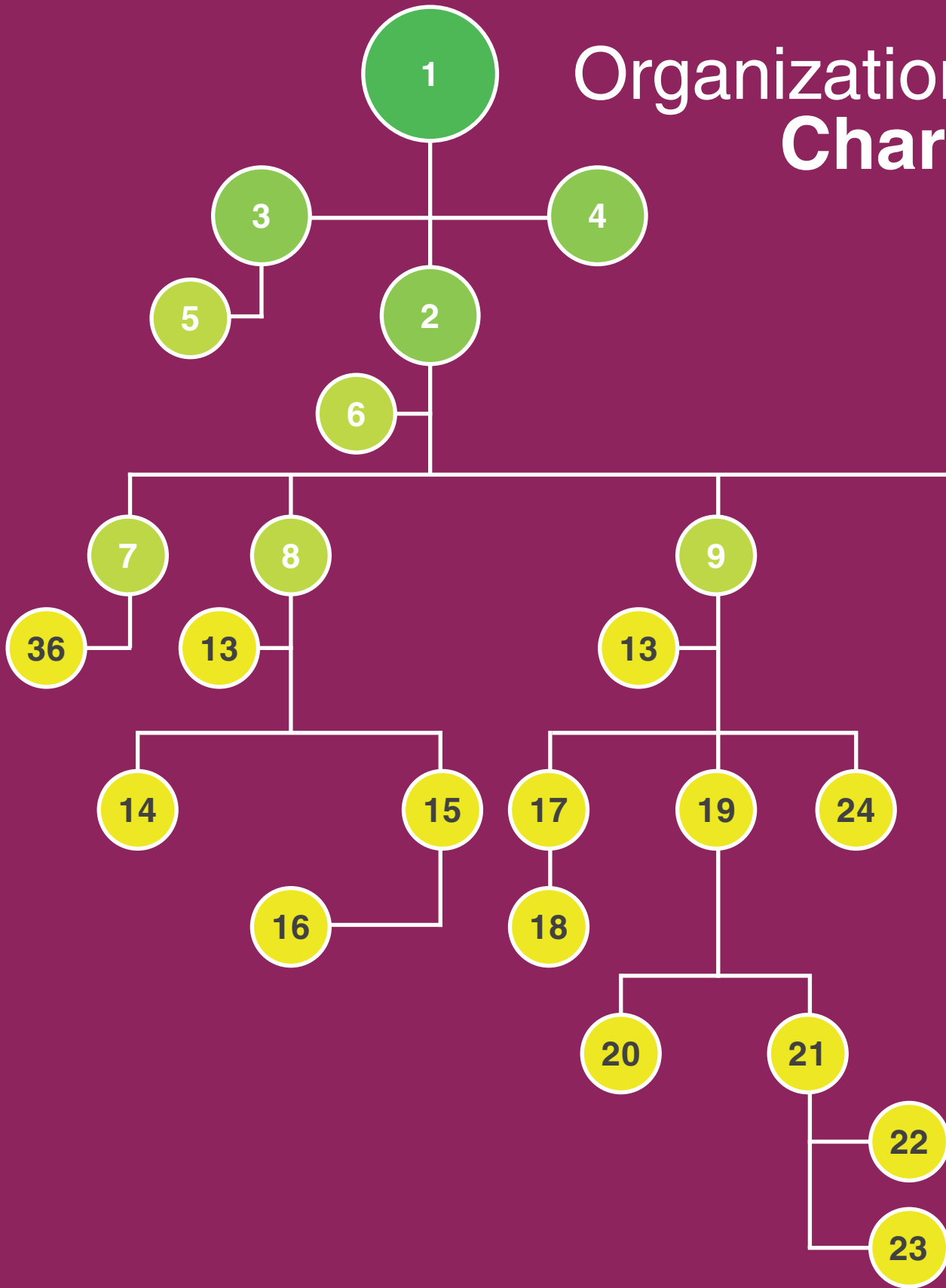
- The engagement of new health and life insurance providers which resulted in an increase in coverage and benefits
- Negotiated with the network provider (Digicel) which resulted in a better CUG plan
- Worked closely with internal stakeholders to create and revise internal policies
- Worked closely with the MOF & PS to activate several new and established posts

ORGANIZATION STRUCTURE

The proposed organization chart supports and facilitates the number of employees needed in the Human Resource Capacity Plan. The proposed Human Resources Capacity Plan demonstrates the medium to long term human resource capital needed to equip the Corporation to effectively achieve its strategic objectives.



Organizational Chart



- 1. Board Of Directors
- 2. CEO
- 3. Internal Audit: Senior Internal Auditor
- 4. Company Secretary
- 5. Auditor
- 6. Executive Assistant
- 7. Information Technology
- 8. Director Human Resource Management & Development
- 9. Finance & Accounts CFO
- 10. Agro Park Development Director
- 11. Property And Fixed Asset Management Manager
- 12. Project Development

- Director
- 13. Administration Assistant
- 14. Human Resource Officer
- 15. Office Administrator
- 16. (N) Driver, 2 Office Attendants, Telephone Operator, 2 Cleaners
- 17. Procurement Manager
- 18. Procurement Officer
- 19. Manager (Payroll, Payables, Receivables)
- 20. Payroll Officer/ Accounting Technician
- 21. Accountant
- 22. Receivables Clerk
- 23. Payables Clerk
- 24. Budget Monitoring &

- Compliance Manager
- 25. Farm Management: 4 Farm Managers (1N)
- 26. Cluster Coordination: Coordination (N)
- 27. Technology Transfer 2 Specialists (N)
- 28. Facilities Administrator (N)
- 29. Property Officer (N)
- 30. Maintenance Technician: 2 Handyman, Caretaker
- 31. Marketing: Senior Marketing Officer (N)
- 32. Minard Farm: Farm Manager
- 33. Investment & Business

- Management: Business Facilitation Manager
- 34. 4 Investment Officers
- 35. Herd/Breeding Supervisor
- 36. System Administrator
- 37. Pasture Supervisor
- 38. 4 Livestock Attendants,
- 39. Tractor Operator, 5 Casual Workers

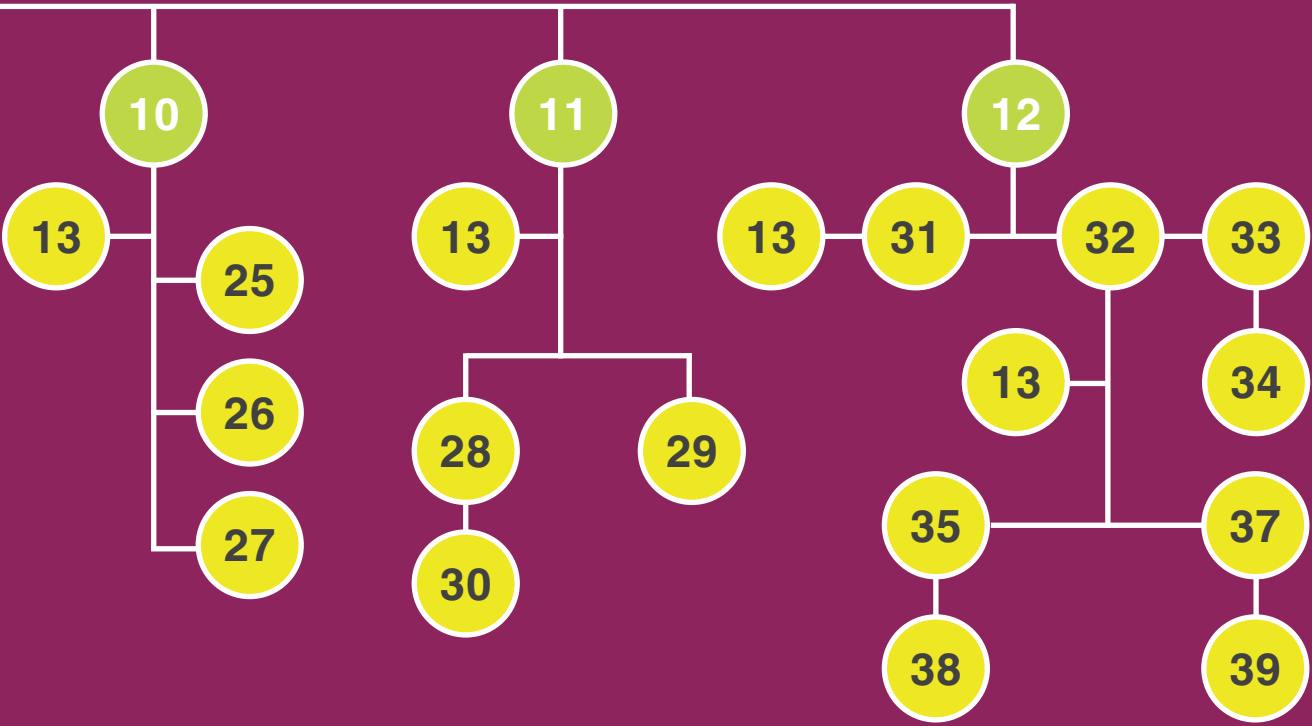


Table 3 - Proposed Human Resources Capacity Plan

Units/Divisions or Projects	Present Staff Complement	2020-2021	2021-2022	2022-2023	2023-2024
HRM & Dev.					
Finance and Accounts Division	8	9	10	10	10
Property & Fixed Assets Department	8	9	10	10	10
Project Development	5	5	6	6	6
Corporate Governance Unit	5	5	6	6	6
Procurement Unit	0	1	2	2	2
Marketing Unit	1	1	2	2	2
Agro-Parks Development Department	9	12	16	18	20
Minard Estates Farm	12	12	13	13	13
Total	53	60	68	77	81

RECRUITMENT FOR THE YEAR 2019 - 2020

For the period, a total of Fifteen (15) persons were employed to fill vacant posts.

SEPARATIONS 2019 - 2020

During the period, 9 employees left the Corporation:

- 5 Resignations
- 4 Terminations (including 1 voluntary non-renewal of contract)

HUMAN RESOURCE MANAGEMENT OUTLOOK FOR 2020-2021

The Human Resource Department will be in collaboration with the other internal stakeholders that will enable us to negotiate with new health and life insurance providers to secure the best benefits that were available. We will also be negotiating a new CUG Plan for the Corporation with our current service provider that would enable the team members within the Corporation to communicate and work more efficiently.

The department will continue to ensure that all vacancies are filled promptly once recommended by the Chief Executive Officer and approval granted from the Post Operation Committee at the Ministry of Finance and Public Service. We also focus on reviewing and adjusting the training plan in accordance with budgetary provisions to assist in the employees' development. A continued partnership will be fostered to implement the MyHR+ Software which will aid in the improvement of HR services and performance.



FINANCE, ACCOUNTS & PROCUREMENT

OVERVIEW OF THE FINANCE, ACCOUNTS AND PROCUREMENT DEPARTMENT

The Finance, Accounts & Procurement Department strives to assist management and other stakeholders to take decisions in a timely manner through the systematic provision and appropriate analysis of accurate financial, accounting and procurement data. The Department assists the Corporation in accomplishing its goals and objectives and is relied upon to provide data especially relating to Budgets, Cash Flows and expenditure needed for forward planning, governance, risk management, internal control and timely departmental and corporate intervention.

WHAT IS OUR AUTHORITY?

Every single transaction the Department performs must be in accordance with any of the following:

- An Act of the Government of Jamaica e.g.- the Financial Administration and Audit (FAA) Act, Public Bodies Management and Accountability (PBMA) Act
- Missives from the Ministry of Finance and the Public Service e.g. various circulars which are brought into effect from time to time.
- International Accounting Standards e.g.- IAS, IFRS
- Government Procurement Guidelines
- Generally Accepted Accounting Principles (GAAP)

- Other GOJ and MoFPS guidelines

The Department is accountable for the following major duties:

- Conducting, managing and reporting on the financial, accounting and procurement operations of the Agro Investment Corporation, that of AMC, as well as the oversight of the funds of the various projects being administered by the Corporation.
- Ensuring the maintenance of payroll, payables, revenue, valuation of fixed assets, general ledger, bank accounts, and the filing of statutory payments
- The development of the Organization's budget and the preparation of financial statements and reports AND ENSURING their audits thereto, and all other financial, accounting & procurement matters.
- To arrange for the conduct of actuarial valuations and other external audits within the regulatory requirements.
- To assist in the monitoring of collections from land leases, rental of the AMC complex and other recoverables.
- To prepare, issue and monitor statements of lease accounts to tenants/lessees.

At present the functionaries include:

- Chief Financial Officer
- Accounting Consultant
- Procurement Manager
- Accountant
- Accounting Technician
- Receivables Clerk
- Payables Clerk
- Administrative Assistant

ACHIEVEMENTS OF THE DEPARTMENT TO DATE

- Up-to-date statutory deductions paid and statutory reports prepared, filed and submitted to relevant authorities.
- Up-to-date travel obligations and GCT payable prepared and submitted to relevant authorities.
- Finalization of calculations and payment of outstanding gratuities and other outstanding increments and allowances.
- Reduction of 88% of outstanding payments to contractors and service providers.
- The 'Clean up' of the Corporation's Accounts continues aggressively.
- Training in ACCPAC Accounting software completed
- Financial Reports/Statements and other required Reports prepared and submitted to relevant authorities.
- Completion and utilization of the MyHR Plus Payroll software



STRATEGIC PLANS FOR THE FINANCE, ACCOUNTS AND PROCUREMENT DEPARTMENT

In charting the way forward, the Department seeks to strengthen its operational responsibilities by ensuring that accurate reporting on the financial, accounting and procurement operations of the Agro-Investment Corporation is in accordance with the GOJ' regulations.

In order to achieve its mission and objectives, the Finance, Accounts and Procurement Department intends to focus more intensely on the following:

- Careful management of the 2020/2021 Budget
- Active involvement in the development of additional income streams.

- Intense focus on reduction of high outstanding 'Receivables', operational and administrative costs
- Active role in fostering closer working relationships with different Departments, suppliers and the Accounting staff.
- Breakout of Budgets by Departments- insisting on Departments preparing reduced Budgets to match reduced targets and Heads of Departments playing a critical role in the management of their Budgets.
- Recovery of withholding Taxes and GCT.
- Timely preparation and submission of quarterly and half-yearly reports required under the PBM&A Act., along with other Acts and Regulations
- Designing targets and strategies

for each Unit and individual staff members in the Department.

- Completion of the preparation of Standard Operating Procedures and the Accounting Manual which had commenced.
- Design a "Succession Planning" template for the Finance and Accounts Department to include:
 - Training at M.I.N.D
 - Coaching in different areas at a higher level.

INFORMATION TECHNOLOGY

OVERVIEW OF THE INFORMATION TECHNOLOGY DEPARTMENT

The Information Technology Department's functions were introduced in response to a growing interest and need for making technology a strategic focus of the Agro-Investment Corporation. The main responsibilities of the unit are to develop and maintain an IT strategy that supports the Ministry and the corporation's objectives; operating a network to support effective communication and collaboration; develop tools to collect, store, manage, secure and distribute data to employees and stakeholders who need access to the information; empowering employees to make the most effective use of IT systems and resources and protecting the IT infrastructure.

Our focus was on the role technology plays in delivering services to our clients. In every interaction we have with the public, our technology should help to improve the lives of our employees and customers. Over the past year, we have made substantial progress towards using technology to provide better services. Especially with the impact of Covid-19, our infrastructure is maturing to provide a secure platform for both our employees and clients to access our services in this new normal. Our investments are working to actively transform ICT at Agro-Investment in a whole variety of different ways. Examples of our progress are evident in our upgraded Server Infrastructure to allow better interactions with our customers. Our efforts to improve the process to apply for our services were accomplished with new online application options accessed directly from our website.

We have also started to modernize our communication and collaboration systems. Through our investments, we have increased our bandwidth to enable quality connections to the Internet and the installation and migration to our Hosted PBX system.

The direction provided in the last financial year also supported a major investment into centralized document storage, a project that impacts every department. We are on the verge of migrating to this new system which will help us manage all of our records more efficiently.



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INDEPENDENT AUDITORS' REPORT

To The Board of
Agro-Investment Corporation

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Agro-Investment Corporation ("the Corporation") set out on pages 4 to 38, which comprise the statement of financial position as at 31 March 2020, and the statements of comprehensive income, changes in reserves and cash flows for the year then ended, and notes, comprising significant accounting policies and other explanatory information.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Corporation as at 31 March 2020, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS).

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Corporation in accordance with the International Ethics Standards Board for Accountants Code of Ethics for Professional Accountants including International Independence Standards (IESBA Code) and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

Management is responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the financial statements and our auditor's report thereon. The Annual Report is expected to be made available to us after the date of issue of this auditor's report.

Our opinion on the financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

When we read the annual report, if we conclude that there is a material misstatement therein, we are required to communicate with the Board of Directors.

INDEPENDENT AUDITORS' REPORT (CONT'D)

To the Board of
Agro-Investment Corporation

Responsibilities of Management and Board of Directors for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Corporation's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Corporation or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is responsible for overseeing the Corporation's financial reporting process.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Corporation's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.



INDEPENDENT AUDITORS' REPORT (CONT'D)

To the Board of
Agro-Investment Corporation

Auditors' Responsibilities for the Audit of the Financial Statements (cont'd)

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Corporation's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Corporation to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Board of Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

A handwritten signature in black ink, appearing to read 'BDO'.

Chartered Accountants

26 September 2020



Statement of Comprehensive Income

31 March 2020


	<u>Note</u>	<u>2020</u> ₤	<u>2019</u> ₤
SUBVENTION	6	263,193,722	283,433,152
Other income	7	<u>35,013,660</u>	<u>23,665,131</u>
		<u>298,207,382</u>	<u>307,098,283</u>
EXPENDITURE:			
Operating expenses - Minard Farms		53,677,217	54,074,414
Agricultural projects development costs		68,494,105	83,473,333
Administrative expenses		<u>199,416,581</u>	<u>160,774,844</u>
		<u>321,587,903</u>	<u>298,322,591</u>
(DEFICIT)/SURPLUS		(23,380,521)	8,775,692
Transfer from capital reserve and capital grant an amount equivalent to depreciation charge on capital assets		<u>1,323,864</u>	<u>2,008,041</u>
NET (DEFICIT)/SURPLUS		(<u>22,056,657</u>)	<u>10,783,733</u>
OTHER COMPREHENSIVE INCOME:			
Items that will not be reclassified to surplus or deficit:			
Unrealised gain on fair value through other comprehensive income equity investments		(142,200)	1,638,553
Re-measurement of defined benefit pension plan		<u>935,000</u>	(<u>759,000</u>)
		<u>792,800</u>	<u>879,553</u>
TOTAL COMPREHENSIVE (LOSS)/INCOME		(<u>21,263,857</u>)	<u>11,663,286</u>



Statement of Financial Position
31 March 2020

	<u>Note</u>	<u>2020</u> £	<u>2019</u> £
ASSETS			
NON-CURRENT ASSETS:			
Property, plant and equipment	10	318,025,831	324,158,578
Investments	11	3,978,969	4,121,168
Biological assets	12	34,925,225	43,596,750
Post-employment benefit assets	13	<u>7,952,000</u>	<u>6,612,000</u>
		<u>364,882,025</u>	<u>378,488,496</u>
CURRENT ASSETS:			
Receivables	14	5,274,986	2,834,081
Taxation recoverable		372,774	372,705
Cash and cash equivalent	15	<u>37,384,933</u>	<u>50,182,833</u>
		<u>43,032,693</u>	<u>53,389,619</u>
		<u>407,914,718</u>	<u>431,878,115</u>
RESERVES AND LIABILITIES			
RESERVES:			
Capital reserve	16	302,517,450	302,517,450
Fair value reserve	17	3,894,514	4,036,714
Accumulated surplus		<u>47,087,427</u>	<u>68,209,084</u>
		<u>353,499,391</u>	<u>374,763,248</u>
NON-CURRENT LIABILITIES:			
Capital grants	18	2,572,956	3,896,820
Long term loan	19	<u>-</u>	<u>1,403,512</u>
		<u>2,572,956</u>	<u>5,300,332</u>
CURRENT LIABILITIES:			
Payables	20	50,724,260	49,698,939
Current portion of long term loan	19	<u>1,118,111</u>	<u>2,115,596</u>
		<u>51,842,371</u>	<u>51,814,535</u>
		<u>407,914,718</u>	<u>431,878,115</u>

Approved for issue by the Board of Directors on 26 September 2020 and signed on its behalf by:


 Vitus Evans - Chairman


 Gary Coulton - Deputy Chairman



Statement of Changes in Reserves

31 March 2020

	Accumulated surplus \$	Fair Value Reserve \$	Capital Reserve \$	Total \$
BALANCE AT 1 APRIL 2018	<u>58,184,351</u>	<u>2,398,161</u>	<u>303,201,627</u>	<u>363,784,139</u>
Surplus for the year	10,783,733	-	-	10,783,733
Other comprehensive income	(759,000)	1,638,553	-	879,553
Total Comprehensive Income	10,024,733	1,638,553	-	11,663,286
Transfer to income from capital reserve	<u>-</u>	<u>-</u>	(684,177)	(684,177)
	<u>10,024,733</u>	<u>1,638,553</u>	(684,177)	<u>10,979,109</u>
BALANCE AT 31 MARCH 2019	<u>68,209,084</u>	<u>4,036,714</u>	<u>302,517,450</u>	<u>374,763,248</u>
Deficit for the year	(22,056,657)	-	-	(22,056,657)
Other comprehensive income	<u>935,000</u>	(142,200)	<u>-</u>	<u>792,800</u>
Total Comprehensive Income	<u>(21,121,657)</u>	(142,200)	<u>-</u>	<u>(21,263,857)</u>
BALANCE AT 31 MARCH 2020	<u>47,087,727</u>	<u>3,894,514</u>	<u>302,517,450</u>	<u>353,641,591</u>



Statement of Cash Flows
31 March 2020

	<u>2020</u> £	<u>2019</u> £
CASH FLOWS FROM OPERATING ACTIVITIES:		
(Deficit)/surplus for the year	(22,056,657)	10,783,733
Items not affecting cash resources:		
Depreciation	10,547,118	10,978,562
Decrease in fair value of biological asset	8,671,525	3,990,016
Transfer to income from donated assets	-	(684,177)
Transfer from capital grant	(1,323,864)	(1,323,864)
Interest income	(43,247)	(58,771)
Exchange loss on foreign balances	<u>17,550</u>	<u>12,221</u>
	(4,187,575)	23,697,720
Changes in operating assets and liabilities:		
Receivables	(2,440,905)	(265,167)
Taxation recoverable	(69)	(57)
Post-employment benefits assets	(405,000)	(853,000)
Payables	<u>1,025,321</u>	<u>(7,408,045)</u>
Cash (used in)/provided by operating activities	<u>(6,008,229)</u>	<u>15,171,451</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of property, plant and equipment	(4,414,371)	(14,723,089)
Interest received	<u>43,247</u>	<u>58,771</u>
Cash used in investing activities	<u>(4,371,124)</u>	<u>(14,664,318)</u>
CASH FLOWS FROM FINANCING ACTIVITY:		
Loan repayment	<u>(2,400,997)</u>	<u>(2,084,938)</u>
Cash used in financing activity	<u>(2,400,997)</u>	<u>(2,084,938)</u>
	(12,780,350)	(1,577,805)
Exchange loss on foreign cash balances	<u>(17,550)</u>	<u>(12,221)</u>
Net decrease in cash and cash equivalents	(12,797,900)	(1,590,026)
Cash and cash equivalents at beginning of year	<u>50,182,833</u>	<u>51,772,859</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR (Note 15)	<u><u>37,384,933</u></u>	<u><u>50,182,833</u></u>



Notes to the Financial Statements

31 March 2020

1. IDENTIFICATION AND PRINCIPAL ACTIVITY:

Agro-Investment Corporation (“the Corporation”) is incorporated under the Agricultural Development Corporation Act. It functions as the business facilitation department within the Ministry of Economic Growth and Job Creation, with a focus on agricultural investment promotion and facilitation, project development and market development. The registered office of the Corporation is the AMC Complex, 188 Spanish Town Road, Kingston 11.

The principal objective of the Corporation is to activate, stimulate, facilitate and undertake agricultural development for economic advancement and well-being of the Jamaican people.

On 1 June 2009, the Agricultural Development Corporation’s name was changed to Agro-Investment Corporation under the Agricultural Development Corporation (Change of Name) Act 2010, which was passed in the House of Representative on 2 June 2010.

2. REPORTING CURRENCY:

Items included in the financial statements of the Corporation are measured using the currency of the primary economic environment in which the Corporation operates (‘the functional currency’). These financial statements are presented in Jamaican dollars, which is considered the Corporation’s functional and presentation currency.

3. SIGNIFICANT ACCOUNTING POLICIES:

The principal accounting policies applied in the preparation of these financial statements are set out below. The policies have been consistently applied to all the years presented.

(a) Basis of preparation

These financial statements have been prepared in accordance with International Financial Reporting Standards and International Accounting Standards as issued by the International Accounting Standards Board (IASB) and Interpretations (collectively IFRS). The financial statements have been prepared under the historical cost convention, except for certain financial assets measured at fair value and biological assets measured at fair value less cost to sell.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Corporation’s accounting policies. Although these estimates are based on management’s best knowledge of current events and action, actual results could differ from those estimates. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in Note 4.



3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D):

(a) Basis of preparation (cont'd)

New standards, interpretations and amendments effective in the current year

Certain new standards, interpretations and amendments to existing standards have been published that became effective during the current financial year. The Corporation has assessed the relevance of all such new standards, interpretations and amendments and has concluded that there are no new standards, interpretations and amendments which are relevant to its operations.

New standards, amendments and interpretation not yet effective and not early adopted

The following new standards, amendments and interpretations, that is not yet effective and have not been adopted early in these financial statements, will or may have an effect on the Corporation's future financial statements:

IAS 1 and IAS 8 - Definition of Material - Amendments to IAS 1 and IAS 8 (effective for annual periods beginning on or after 1 January 2020). The IASB issued amendments to IAS 1 Presentation of Financial Statements and IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors to align the definition of 'material' across the standards and to clarify certain aspects of the definition. The new definition states that, 'Information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements, which provide financial information about a specific reporting entity'.

The amendments clarify that materiality will depend on the nature or magnitude of information, or both. An entity will need to assess whether the information, either individually or in combination with other information, is material in the context of the financial statements.

The Corporation is evaluating the impact of the amendments on the Financial Statements.

Revised Conceptual Framework for Reporting (effective for accounting periods beginning on or after 1 January 2020). The revised Conceptual Framework will be used in standard-setting decisions with immediate effect, however no change will be made to any of the current accounting standards. Entities that apply the Conceptual Framework in determining accounting policies will need to consider whether their accounting policies are still appropriate under the revised Framework. The Corporation is currently assessing the impact of this revision.

There are no other standards, amendments or interpretations that are not yet effective that would be expected to have a significant impact on the operations of the Corporations.



Notes to the Financial Statements

31 March 2020

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D):

(b) Foreign currency translation

Foreign currency transactions are accounted for at the exchange rates prevailing at the dates of the transactions.

Foreign currency transactions are translated into the functional currency of the Corporation, using the exchange rates prevailing at the dates of the transactions. Foreign currency balances at the end of the reporting period are translated at the closing rates of exchange.

Foreign exchange gains and losses resulting from the settlement of such transactions and from the re-measurement of monetary items at year-end exchange rates are recognized in surplus or deficit.

(c) Property, plant and equipment

Items of property, plant and equipment are recorded at historical cost, less accumulated depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items. Land is not depreciated and includes expenditure relating to infrastructure, irrigation and drainage.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Corporation and the cost of the item can be measured reliably. The carrying amount of any replaced part is derecognised. All other repairs and maintenance are charged to surplus or deficit during the financial period in which they are incurred.

Depreciation is calculated on the straight-line method to write off the cost of assets to their residual values over their estimated useful lives. Annual rates are as follows:-

Freehold and leasehold Buildings	2.5-4%
Office machinery, equipment, furniture and fixtures	10%
Motor vehicles	20%
Agro-Park equipment	5%
Farm machinery, furniture & equipment	20%

Gains and losses on disposals of property, plant and equipment are determined by reference to their carrying amounts and are taken into account in determining surplus.

The assets' residual values and useful lives are reviewed and adjusted if appropriate, at each reporting date.



3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D):

(d) Financial instrument

A financial instrument is any contract that gives rise to both a financial asset in one entity and a financial liability or equity of another entity.

Finance assets

Classification and subsequent measurement

The Corporation classifies its financial assets based on the business model used for managing the financial assets and the asset's contractual terms measured at either:

- Amortised cost; or
- Fair value through other comprehensive income (FVOCI)

At initial recognition, the Corporation measures its financial assets at fair value plus transaction cost directly attributable to the acquisition of the financial asset in the case of a financial asset not at fair value through profit or loss (FVPL).

Amortised cost

These assets arise principally from the provision of goods and services to customers (eg trade receivables), but also incorporate other types of financial assets where the objective is to hold these assets in order to collect contractual cash flows and the contractual cash flows are solely payments of principal and interest. They are initially recognised at fair value plus transaction costs that are directly attributable to their acquisition or issue, and are subsequently carried at amortised cost using the effective interest rate method, less provision for impairment.

The Corporation's financial assets measured at amortised cost comprise receivables and cash and cash equivalents in the statement of financial position.

Cash and cash equivalents includes cash in hand, deposits held at call with banks, other short term highly liquid investments with original maturities of three months or less.

Fair value through other comprehensive income (FVOCI)

The Corporation subsequently measures its equity investments at fair value and has made an irrevocable election to classify its investments at fair value through other comprehensive income rather than through surplus or deficit. The Corporation considers this measurement to be the most representative of the business model for those assets as management intends to hold them for the medium to long-term. They are carried at fair value with changes in fair value recognised in other comprehensive income and accumulated in the fair value reserve. Upon disposal, any balance within fair value reserve is reclassified directly to accumulated surplus and is not reclassified to surplus or deficit.



Notes to the Financial Statements

31 March 2020

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D):

(d) Financial instrument (cont'd)

Finance asset (cont'd)

Fair value through other comprehensive income (FVOCI) (cont'd)

Dividends from such investments continue to be recognised in surplus or deficit as other income when the Corporation's right to receive payment is established.

The Corporation's financial asset measured at FVOCI include its equity instruments in the statement of financial position.

Impairment

Impairment provisions for trade receivables are recognised based on the simplified approach within IFRS 9 using a provision matrix in the determination of the lifetime expected credit losses. During this process the probability of the non-payment of the trade receivables is assessed. This probability is then multiplied by the amount of the expected loss arising from default to determine the lifetime expected credit loss for the trade receivables. For trade receivables, which are reported net, such provisions are recorded in a separate provision account with the loss being recognised within surplus or deficit. On confirmation that the trade receivable will not be collectable, the gross carrying value of the asset is written off against the associated provision.

Cash and cash equivalents are also subject to the impairment requirements of IFRS 9, however during the period, there were no identified impairment loss.

Derecognition

A financial asset is primarily derecognized when the contractual rights to receive cash flows from the asset have expired, or the Corporation has transferred its rights to receive contractual cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Corporation has transferred substantially all the risks and rewards of ownership of the asset, or (b) the Corporation has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

On derecognition of a financial asset, the difference between the asset's carrying amount and the consideration received is recognised in surplus or deficit.



3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D):

(d) Financial instrument (cont'd)

Financial liabilities

The Corporation's financial liabilities are initially measured at fair value, net of transaction costs, and are subsequently measured at amortised cost using the effective interest method. At the reporting date, the following items were classified as financial liabilities: long-term loan and payables.

(e) Donated assets

Where an asset is funded by an external donor (including the Government of Jamaica) with no loan attached, the amount is credited to capital reserve. An amount equivalent to the annual depreciation charge on the relevant property, plant and equipment is transferred from capital reserve to surplus or deficit for each reporting period.

(f) Impairment of non-financial assets

Non-current assets are reviewed for impairment deficits whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment deficit is recognized for the amount by which the carrying amount of the assets exceeds its recoverable amount, which is the greater of an asset's net selling price and value in use. Non financial assets that suffered an impairment are reviewed for possible reversal of the impairment at each reporting date.

(g) Capital grants

These are amounts received for the Agro-Parks Development Programme. The portion of these grants relating to the acquisition of land and amounts spent on infrastructure, irrigation and drainage are included in capital reserve. Capital grants used to acquire depreciable assets are included in long term liabilities and an amount equivalent to the depreciation charge for these assets are transferred to surplus or deficit in each reporting period.

(h) Biological assets

Biological assets represent livestock (cattle and horses) held for reproduction. Biological assets are measured on initial recognition and at the end of each reporting period at its fair value less costs to sell. Fair value is determined based on market prices of livestock of similar age, breed and generic merit.



Notes to the Financial Statements

31 March 2020

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D):

(i) Borrowings

Borrowings which included long term loans are recognized initially at the proceeds received, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost using the effective yield method. Any difference between proceeds, net of transaction costs, and the redemption value is recognized in surplus or deficit over the period of the borrowings.

(j) Employee benefits

Defined benefit plan

The Corporation operates a defined benefit plan, the assets of which are held in a separate trustee-administered fund. The plan is funded through payments to a trustee administered fund, determined by periodic actuarial calculations.

The defined benefit plan surplus and deficit are measured at:

- the fair value of plan assets at the reporting date; less
- plan liabilities calculated using the projected unit credit method discounted to its present value using yields available on Government of Jamaica bonds that have maturity dates approximating to the terms of the liabilities; plus
- unrecognised past service costs; less
- the effect of minimum funding requirements agreed with scheme trustees.

Re-measurements of the net defined obligation are recognised directly within equity. The re-measurements include actuarial gains and deficits, return on plan assets (interest exclusive) and any asset ceiling effects (interest exclusive).

Service costs are recognised in surplus or deficit, and include current and past service costs as well as gains and losses on curtailments.

Net interest expense (income) is recognised in surplus or deficit, and is calculated by applying the discount rate used to measure the defined benefit obligation (asset) at the beginning of the annual period to the balance of the net defined benefit obligation (asset), considering the effects of contributions and benefit payments during the period. Gains or deficits arising from changes to pension benefits or scheme curtailment are recognised immediately in surplus or deficit.

Settlements of defined benefit plan surplus are recognised in the period in which the settlement occurs.

Leave accrual

All outstanding leave entitlement that are expected to be utilized wholly within 12 months after the end of the reporting period are presented as current liabilities.



3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D):

(k) Government subvention

Government subvention to support the Corporation's operating budget are recognized as income in the accounting period when there is reasonable assurance that it will be received.

(l) Other income

The Corporation recognizes revenue from the following activities:

(i) Sale of cattle

The Corporation's revenue from the sale of cattles are recognised at a point in time when control of the livestock has transferred to the customer. This is generally when the cattles are delivered to the customer. Once physical delivery of the livestock to the agreed location has occurred, the corporation no longer has physical possession, usually will have a present right to payment (as a single payment on delivery) and retains none of the significant risks and rewards of the livestock in question.

(ii) Lease rental

Lease rental income is based on the rates specified in the lease agreements. Income is recognised on the accrual basis, which is determined based on period of occupancy over the reporting period.

(iii) Interest income

Interest income is recognized in the income statement for all interest bearing instruments on an accrual basis unless collectability is doubtful.

4. CRITICAL ACCOUNTING JUDGEMENTS AND ESTIMATES:

Judgements and estimates are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

(a) Critical judgements in applying the Corporation's accounting policies

In the process of applying the Corporation's accounting policies, management has not made any judgements that it believes would cause a significant impact on the amounts recognized in the financial statements.



Notes to the Financial Statements

31 March 2020

4. CRITICAL ACCOUNTING JUDGEMENTS AND ESTIMATES (CONT'D):

Judgements and estimates are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

(b) Key sources of estimation uncertainty

The Corporation makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts and assets and liabilities within the next financial year are discussed below:

(i) Fair value estimation

A number of assets included in the Corporation's financial statements require measurement at, and/or disclosure of, at fair value.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Market price is used to determine fair value where an active market (such as a recognized stock exchange) exists as it is the best evidence of the fair value of a financial instrument.

The fair value measurement of the Corporation's financial and non-financial assets and liabilities utilizes market observable inputs and data as far as possible. Inputs used in determining fair value measurements are categorized into different levels based on how observable the inputs used in the valuation technique utilized.

The standard requires disclosure of fair value measurements by level using the following fair value measurement hierarchy:

Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 - Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices).

Level 3 - Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs).



4. CRITICAL ACCOUNTING JUDGEMENTS AND ESTIMATES (CONT'D):

(b) Key sources of estimation uncertainty (cont'd)

(i) Fair value estimation (cont'd)

The classification of an item into the above level is based on the lowest level of the inputs used that has a significant effect on the fair value measurement of the item.

Transfers of items between levels are recognised in the period they occur.

The Corporation measures the following at fair value.

Investments (note 11)

Biological assets (note 12)

The fair value of financial instruments traded in active markets, such as available-for-sale investments, is based on quoted market prices at the reporting date. The quoted market price used for financial assets held by the Corporation is the current bid price. These instruments are included in level 1 and comprise equity instruments traded on the Jamaica Stock Exchange.

(ii) Depreciable assets

Estimates of the useful life and the residual value of property, plant and equipment are required in order to apply an adequate rate of transferring the economic benefits embodied in these assets in the relevant periods. The Corporation applies a variety of methods in an effort to arrive at these estimates from which actual results may vary. Actual variations in estimated useful lives and residual values are reflected in surplus or deficit through impairment or adjusted depreciation provisions.

(iii) Defined benefit assumptions

The cost of these benefits and the present value of the future obligations depend on a number of factors that are determined by actuaries using a number of assumptions. The assumptions used in determining the net periodic cost or income for retirement benefits include the expected long-term rate of return on the relevant plan assets and the discount rate. Any changes in these assumptions will impact the net periodic cost or income recorded for retirement benefits and may affect planned funding of the pension plan. The expected return on plan assets assumption is determined on a uniform basis, considering long-term historical returns, asset allocation and future estimates of long-term investment returns.



Notes to the Financial Statements

31 March 2020

4. CRITICAL ACCOUNTING JUDGEMENTS AND ESTIMATES (CONT'D):

(b) Key sources of estimation uncertainty (cont'd)

(iii) Defined benefit assumptions (cont'd)

The Corporation determines the appropriate discount rate at the end of each year, which represents the interest rate that should be used to determine the present value of estimated future cash outflows expected to be required to settle the retirement benefit obligations.

In determining the appropriate discount rate, the Corporation considered interest rate of high-quality Government of Jamaica bonds that are denominated in the currency in which the benefits will be paid, and have terms to maturity approximating the terms of the related obligations. Other key assumptions for the retirement benefits are based on current market conditions.

5. FINANCIAL RISK MANAGEMENT:

The Corporation is exposed through its operations to the following financial risks:

- Market risk
- Credit risk
- Liquidity risk

In common with all other businesses, the Corporation is exposed to risks that arise from its use of financial instruments. This note describes the Corporation's objectives, policies and processes for managing those risks and the methods used to measure them. Further quantitative information in respect of these risks is presented throughout these financial statements.

There have been no substantive changes in the Corporation's exposure to financial instrument risks, its objectives, policies and processes for managing those risks or the methods used to measure them from previous periods unless otherwise stated in this note.

(a) Principal financial instruments

The principal financial instruments used by the Corporation, from which financial instrument risk arises, are as follows:

- Receivables
- Cash and cash equivalent
- Investments in quoted equity
- Payables
- Long term loan



5. FINANCIAL RISK MANAGEMENT (CONT'D):

(b) Financial instruments by category

Financial assets

	Amortised Cost		Fair value through comprehensive income	
	2020	2019	2020	2019
	\$	\$	\$	\$
Receivables	3,555,371	1,058,993	-	-
Cash and cash equivalent	37,384,933	50,182,833	-	-
Investments (equity)	-	-	3,978,969	4,121,168
Total financial assets	40,940,304	51,241,826	3,978,969	4,121,168

Financial liabilities

	Financial liabilities at amortised cost	
	2020	2019
	\$	\$
Payables	4,866,155	5,777,285
Long term loan	1,118,111	3,519,108
Total financial liabilities	5,984,266	9,296,393

(c) Financial instruments not measured at fair value

Financial instruments not measured at fair value includes cash and cash equivalents, receivables, payables and long-term loan.

Due to their short-term nature, the carrying value of cash and cash equivalents, receivables and payables approximates their fair value.

(d) Financial instruments measured at fair value

The fair value hierarchy of financial instruments measured at fair value is provided below:

	Level 1	
	2020	2019
	\$	\$
Financial asset		
Investments (equity)	3,978,969	4,121,168
Total financial asset	3,978,969	4,121,168

There were no financial assets valued using level 2 or level 3 measurements.



Notes to the Financial Statements

31 March 2020

5. FINANCIAL RISK MANAGEMENT (CONT'D):

(e) Financial risk factors

The Board of Directors has overall responsibility for the determination of the Corporation's risk management objectives and policies and, whilst retaining ultimate responsibility for them, it has delegated the authority for designing and operating processes that ensure the effective implementation of the objectives and policies to the Corporation's finance function. The Board receives monthly reports from the Financial Controller through which it reviews the effectiveness of the processes put in place and the appropriateness of the objectives and policies it sets. The Corporation's internal auditors also review the risk management policies and processes and report her findings to the Board.

The overall objective of the Corporation's Board is to set policies that seek to reduce risk as far as possible without unduly affecting the Corporation's activities. Further details regarding these policies are set out below:

(i) Market risk

Market risk arises from the Corporation's use of interest bearing, tradable and foreign currency financial instruments. It is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in interest rates (interest rate risk), foreign exchange rates (currency risk) or other market factors (other price risk).

Currency risk

Currency risk is the risk that the value of a financial instrument will fluctuate because of changes in foreign exchange rates.

Currency risk arises from US dollar cash and bank balances.

The Corporation manages this risk by ensuring that the net exposure in foreign assets and liabilities is kept to an acceptable level by monitoring currency positions. The Corporation further manages this risk by holding net foreign currency assets.

Concentration of currency risk

The Corporation is exposed to foreign currency risk in respect of US dollar cash and bank balances amounting to \$465,920 (2019 - \$433,176).

Foreign currency sensitivity

The following table indicates the sensitivity of surplus or deficit to changes in foreign exchange rates. The change in currency rate below represents management's assessment of the possible change in foreign exchange rates. The sensitivity analysis represents outstanding foreign currency denominated cash and bank balances, and adjusts their translation at the year-end for 6% (2019 - 4%) depreciation and a 2% (2019 - 2%) appreciation of the Jamaican dollar against the US dollar. The changes below would have no impact on other components of equity.



5. FINANCIAL RISK MANAGEMENT (CONT'D):

(e) Financial risk factors (cont'd)

(i) Market risk (cont'd)

Currency risk (cont'd)

Foreign currency sensitivity

	<u>% Change in Currency Rate</u> <u>2020</u>	<u>Effect on Surplus</u> <u>2020</u> ₹	<u>% Change in Currency Rate</u> <u>2019</u>	<u>Effect on Surplus</u> <u>2019</u> ₹
Currency:				
USD	-6	27,955	-4	17,349
USD	<u>+2</u>	<u>(9,318)</u>	<u>+2</u>	<u>(8,675)</u>

Price risk

Price risk is the risk that the value of a financial instrument will fluctuate as a result of changes in market prices, whether those changes are caused by factors specific to the individual instrument or its issuer or factors affecting all instruments traded in the market. The Corporation is exposed to equity securities price risk arising from its holding of investments.

As the Corporation does not have a significant exposure, market price fluctuations are not expected to have a material effect on the net results or reserve.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market interest rates. The Corporation attempts to manage this risk by monitoring its interest-bearing instruments closely and procuring the most advantageous rates under contracts with interest rates that are fixed for the life of the contract where possible.

Short term deposits and long term loan are the only interest bearing assets and liability respectively, within the Corporation. The Corporation invests excess cash in short-term deposits and maintains interest-earning bank accounts with licensed financial institutions. The Corporation's short term deposits are due to mature and re-price respectively, within 3 months of the reporting date. Long term rates are fixed to maturity.



Notes to the Financial Statements

31 March 2020

5. FINANCIAL RISK MANAGEMENT (CONT'D):

(e) Financial risk factors (cont'd)

(i) Market risk (cont'd)

Interest rate sensitivity

As interest rates on the Corporation's short term deposits and long-term loan are fixed up to maturity and interest earned from the Corporation's interest-earning bank accounts is immaterial, there would be no material impact on the results of the corporation's operations as a result of fluctuation in interest rates.

(ii) Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial deficit. Credit risk arises from accounts receivables and cash and cash equivalent.

The maximum exposure to credit risk is equal to the carrying amount of cash and cash equivalent and accounts receivables balances in the statement of financial position.

The company manages this risk as follows:

Cash and cash equivalent

Cash transactions are limited to high credit quality financial institutions. The Corporation has policies that limit the amount of credit exposure to any one financial institution. No allowance for impairment is deemed necessary.

Receivables

Revenue transactions in respect of the Corporation's primary operations are settled in cash. For its operations done on a credit basis, the Corporation has policies in place to ensure that it provides services to customers with an appropriate credit history.

5. FINANCIAL RISK MANAGEMENT (CONT'D):

(e) Financial risk factors (cont'd)

(ii) Credit risk (cont'd)

Receivables (cont'd)

The company applies the IFRS 9 simplified approach to measuring expected credit losses using a lifetime expected credit loss provision for accounts receivables. To measure expected credit losses on a collective basis, accounts receivables are grouped based on similar credit risk and aging.

The expected loss rates are based on the Corporation's historical credit losses experienced over the prior period to the period end. The historical loss rates are then adjusted for current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables. The Corporation has identified the gross domestic product (GDP) and unemployment rate of the country in which it sells its products to be the most relevant factors, and accordingly adjusts the historical loss rates based on expected changes in these factors.

The lifetime expected loss allowance for accounts receivables is as follows:

	<u>Current</u> ₹	<u>More than 30 Days Past due</u> ₹	<u>More than 60 Days Past due</u> ₹	<u>More than 90 Days Past due</u> ₹	<u>Total</u> ₹
31 March 2020:					
Expected loss rate	0%	0%	0%	79.81%	
Gross carrying amount	1,496,849	-	187,460	9,267,036	10,951,345
Loss amount	<u>-</u>	<u>-</u>	<u>-</u>	<u>7,395,974</u>	<u>7,395,974</u>
	<u>Current</u> ₹	<u>More than 30 Days Past due</u> ₹	<u>More than 60 Days Past due</u> ₹	<u>More than 90 Days Past due</u> ₹	<u>Total</u> ₹
31 March 2019:					
Expected loss rate	65%	100%	100%	100%	
Gross carrying amount	2,986,535	587,720	307,820	6,000,520	9,882,595
Loss amount	<u>1,927,542</u>	<u>587,720</u>	<u>307,820</u>	<u>6,000,520</u>	<u>8,823,602</u>



Notes to the Financial Statements

31 March 2020

5. FINANCIAL RISK MANAGEMENT (CONT'D):

(e) Financial risk factors (cont'd)

(ii) Credit risk (cont'd)

Receivables (cont'd)

The movement in the provision for impairment of accounts receivables are as follows:

	<u>2020</u>	<u>2019</u>
	\$	\$
At 1 April	8,823,602	12,209,949
Decrease in impairment losses	(1,427,628)	-
Bad debt recovered previously provided for	<u>-</u>	<u>(3,386,347)</u>
At 31 March	<u>7,395,974</u>	<u>8,823,602</u>

(iii) Liquidity risk

Liquidity risk is the risk that the Corporation will be unable to meet its payment obligations associated with its financial liabilities when they fall due. Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, and the availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions.

Liquidity risk management process

The Corporation's liquidity management process, as carried out within the Corporation and monitored by the Finance Department, includes:

- (i) Monitoring future cash flows and liquidity on a regular basis.
- (ii) Maintaining a portfolio of short term deposit balances that can easily be liquidated as protection against any unforeseen interruption to cash flow.
- (iii) Maintaining committed lines of credit.
- (iv) Optimising cash returns on investments.



5. FINANCIAL RISK MANAGEMENT (CONT'D):

(e) Financial risk factors (cont'd)

(iii) Liquidity risk (cont'd)

Cash flows of financial liabilities

The maturity profile of the Corporation's financial liabilities, based on contractual undiscounted payments, is as follows:

	<u>Within 1</u> <u>Year</u> <u>\$</u>	<u>1 to 2</u> <u>Years</u> <u>\$</u>	<u>Total</u> <u>\$</u>
31 March 2020			
Payables	4,866,155	-	4,866,155
Long term loan	<u>1,118,111</u>	<u>-</u>	<u>1,118,111</u>
Total financial liabilities (contractual maturity dates)	<u>5,984,266</u>	<u>-</u>	<u>5,984,266</u>
	<u>Within 1</u> <u>Year</u> <u>\$</u>	<u>1 to 2</u> <u>Years</u> <u>\$</u>	<u>Total</u> <u>\$</u>
31 March 2019			
Payables	5,777,285	-	5,777,285
Long term loan	<u>2,537,294</u>	<u>1,902,971</u>	<u>4,440,265</u>
Total financial liabilities (contractual maturity dates)	<u>8,314,579</u>	<u>1,902,971</u>	<u>10,217,550</u>

(f) Capital management

The Board of Directors' policy is to maintain adequate capital to be able to continue to carry out the objectives the corporation was formed to achieve. The Corporation relies on government subventions for resources to support the various programmes undertaken. It also seeks to manage its budget so as to retain adequate surplus.

There were no changes to the Corporation's approach to capital management.

6. SUBVENTION:

This represents subvention from the Government of Jamaica to support the operating activities of the Corporation.



Notes to the Financial Statements

31 March 2020

7. OTHER INCOME:

	<u>2020</u>	<u>2019</u>
	\$	\$
Sales of cattle	19,326,890	12,064,446
Lease rental	10,740,308	8,576,249
Interest and dividend income	43,247	58,771
Foreign exchange gain	57,658	62,032
Other	<u>4,845,557</u>	<u>2,903,633</u>
	<u>35,013,660</u>	<u>23,665,131</u>

8. EXPENSES BY NATURE:

Total operating, administrative and other expenses

	<u>2020</u>	<u>2019</u>
	\$	\$
Staff costs (note 22)	171,794,653	166,000,862
Motor vehicle allowance	18,577,083	11,560,369
Repairs and maintenance	7,899,221	8,724,353
Travelling and subsistence	9,986,550	5,252,225
Depreciation	10,547,118	10,978,562
Professional fees	2,080,194	1,353,772
Audit fees-current	995,000	950,000
-prior year under accrual	495,800	45,000
Utilities	8,584,835	4,955,738
Agro parks other expense	15,493,541	16,874,713
Increase in provision for bad debt including related party balance	15,199,354	12,957,297
Decrease in fair value of biological asset	8,671,525	3,990,016
Meeting seminars/training	2,475,774	4,056,161
Rates and taxes	1,185,208	338,804
General insurance	9,467,326	6,136,075
Other	<u>38,134,721</u>	<u>44,148,644</u>
	<u>321,587,903</u>	<u>298,322,591</u>

9. TAXATION:

The Corporation is exempted from Income Tax under the Agricultural Development Corporation Act.

10. PROPERTY, PLANT AND EQUIPMENT:

	Freehold Land & Buildings ₹	Leasehold Land & Buildings ₹	Agro Park Equipment ₹	Furniture & Equipment ₹	Office Machinery & Furniture Fixtures ₹	WIP ₹	Machinery Motor Vehicles ₹	Total ₹
At cost-								
1 April 2018	220,504,258	73,080,668	10,516,140	29,325,382	12,462,681	-	17,615,019	363,504,148
Additions	-	-	-	6,846,963	7,612,883	263,243	-	14,723,089
31 March 2019	220,504,258	73,080,668	10,516,140	36,172,345	20,075,564	263,243	17,615,019	378,227,237
Additions	-	-	-	1,946,400	2,155,331	312,640	-	4,414,371
31 March 2020	220,504,258	73,080,668	10,516,140	38,118,745	22,230,895	575,883	17,615,019	382,641,608
Depreciation -								
1 April 2017	903,134	6,337,374	5,295,454	17,354,468	4,741,943	-	8,457,724	43,090,097
Charge for year	48,622	344,584	1,323,873	2,849,450	3,358,094	-	3,053,939	10,978,562
31 March 2019	951,756	6,681,958	6,619,327	20,203,918	8,100,037	-	11,511,663	54,068,659
Charge for year	48,622	344,583	779,365	3,802,686	4,013,558	-	1,558,304	10,547,118
31 March 2020	1,000,378	7,026,541	7,398,692	24,006,604	12,113,595	-	13,069,967	64,615,777
Net Book Value -								
31 March 2020	219,503,880	66,054,127	3,117,448	14,112,141	10,117,300	575,883	4,545,052	318,025,831
31 March 2019	219,552,502	66,398,710	3,896,813	15,968,427	11,975,527	263,243	6,103,356	324,158,578



Notes to the Financial Statements

31 March 2020

11. INVESTMENTS:

	<u>2020</u>	<u>2019</u>
	\$	\$
Quoted equities - Fair value through other comprehensive income		
Jamaica Broilers Group Limited -		
130,458 ordinary shares (cost - \$69,300)	<u>3,978,969</u>	<u>4,121,168</u>

12. BIOLOGICAL ASSETS:

The movement in biological assets during the year was as follows:

	<u>2020</u>	<u>2019</u>
	\$	\$
Balance at start of year	43,596,750	47,586,766
Decrease in fair value of assets	<u>(8,671,525)</u>	<u>(3,990,016)</u>
Balance at end of year	<u>34,925,225</u>	<u>43,596,750</u>

The following represents the movement in the number of animals during the period and balance on hand at year end -

	<u>2020</u>	<u>2019</u>
	\$	\$
Opening balance at 1 April	475	578
Decrease due to sale	(203)	(186)
Net increase/(decrease) due to:		
Births	77	181
Deaths	(16)	(105)
Other	<u>(6)</u>	<u> 7</u>
	<u>327</u>	<u>475</u>
Represented by:		
Cattle reared for sale and reproduction	320	468
Horses held for reproduction	<u> 7</u>	<u> 7</u>
	<u>327</u>	<u>475</u>

13. POST-EMPLOYMENT BENEFIT ASSETS:

The Corporation participates in a defined benefit plan (The Agricultural Development Corporation Pension Plan) which is open to permanent employees and administered for Agro-Investments Corporation by Employee Benefits Administrator Limited. The plan which commenced on 6 December 1972 is funded by employee's contribution of 5% of their pensionable salary (a voluntary contribution of up to an additional 5% of pensionable salary is allowed) and employer's contribution not exceeding 10% of the employees' pensionable salaries, except where required to cover unfunded liabilities as determined by an Actuary. The pension payable at the date of retirement is 2% of the employee's pensionable salary at the date of determination multiplied by his pensionable service, at the date of determination.



13. POST-EMPLOYMENT BENEFIT ASSETS (CONT'D):

The latest actuarial valuation which was carried out as at 31 March 2020 indicated that the plan was adequately funded.

The Pension Plan is legally separate from the Corporation and is administered by Employee Benefits Administrator Limited.

The plan is exposed to a number of risks, including:

- Investment risk: movement of discount rate used (Government of Jamaica) against the return from plan assets.
 - Interest rate risk: decrease/increase in the discount rate used (Government of Jamaica bonds) will increase/decrease the defined benefit obligation.
 - Longevity risk: changes in the estimation of mortality rate of current and former employees.
 - Salary risk: Increases in future salaries, increase the gross defined benefit obligation.
- (a) The amounts recognised in the statement of financial position in respect of the plan were determined as follows:

	<u>2020</u> \$	<u>2019</u> \$
Fair value of plan assets	64,847,000	64,196,000
Present value of obligation	<u>(49,099,000)</u>	<u>(40,278,000)</u>
	15,748,000	23,918,000
Effects of asset ceiling	<u>(7,796,000)</u>	<u>(17,306,000)</u>
Asset recognized in the statement of financial position	<u>7,952,000</u>	<u>6,612,000</u>

- (b) The movement in the fair value of pension plan assets for the year is as follows:

	<u>2020</u> \$	<u>2019</u> \$
Balance at beginning of year	64,196,000	68,727,000
Contribution by the employer and plan participants	2,198,000	2,773,000
Calculated return on plan assets	4,562,000	5,040,000
Benefits paid and administrative expenses	(257,000)	(5,814,000)
Re-measurement of plan assets	<u>(5,852,000)</u>	<u>(6,530,000)</u>
Balance at end of year	<u>64,847,000</u>	<u>64,196,000</u>

Notes to the Financial Statements
31 March 2020

13. POST-EMPLOYMENT BENEFIT ASSETS (CONT'D):

(c) The movement in the present value of the defined benefit obligation over the year is as follows:

	<u>2020</u> \$	<u>2019</u> \$
Balance at beginning of year	40,278,000	37,918,000
Current service Cost	2,034,000	2,258,000
Interest cost	2,854,000	2,679,000
Benefits paid on admin expenses	-	(5,613,000)
Re-measurement on defined benefit obligation	<u>3,933,000</u>	<u>3,036,000</u>
Balance at the end of the year	<u>49,099,000</u>	<u>40,278,000</u>

Expected contributions to the plan for the year ended 31 March 2021 based on expected contribution of 10% amounts to \$1.22 Million.

(d) The change in the effect of asset ceiling is as follows:

	<u>2020</u> \$	<u>2019</u> \$
Balance at beginning of year	17,306,000	24,291,000
Interest on effect	1,210,000	1,822,000
Change in effect	<u>(10,720,000)</u>	<u>(8,807,000)</u>
Balance at end of year	<u>7,796,000</u>	<u>17,306,000</u>

(e) The amount recognized in surplus or deficit was as follows:

	<u>2020</u> \$	<u>2019</u> \$
Current service cost	1,053,000	1,033,000
Interest cost	<u>(240,000)</u>	<u>(338,000)</u>
Total included in staff cost (note 22)	<u>813,000</u>	<u>695,000</u>

(f) The amount recognized in other comprehensive income were as follows:

	<u>2020</u> \$	<u>2019</u> \$
Re-measurement of the defined benefit obligation	3,933,000	3,036,000
Re-measurement on plan assets	5,852,000	6,530,000
Change in effect of Asset Ceiling	<u>(10,720,000)</u>	<u>(8,807,000)</u>
Components of defined (income) /benefit cost recognised in other comprehensive income	<u>(935,000)</u>	<u>759,000</u>

13. POST-EMPLOYMENT BENEFIT ASSETS (CONT'D):

- (g) The distribution of the market value of plan assets by type of security is as follow; The distribution was deemed to be identical to that of the underlying Sagicor Life Jamaica Limited's pooled investment funds.

	<u>2020</u>	<u>Market</u> <u>Value of</u> <u>Assets</u>	<u>2019</u>	<u>Market</u> <u>Value of</u> <u>Assets</u>
	<u>%</u>	<u>\$</u>	<u>%</u>	<u>\$</u>
Fixed income securities	26.98	17,560,000	10.40	6,700,000
Money market	6.76	4,400,000	6.31	4,060,000
Foreign currency	11.32	7,370,000	10.90	7,020,000
Other assets	54.94	35,770,000	72.39	46,630,000
Adjustment	-	(253,000)	-	(214,000)
	<u>100.00</u>	<u>64,847,000</u>	<u>100.00</u>	<u>64,196,000</u>

- (h) The five-year trend for the fair value of plan assets, the defined benefit obligation, the surplus in the plan, and experience adjustments for plan assets and liabilities are as follows:

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>
Fair value of plan assets	64,847	64,196	68,726	60,266	55,807
Defined benefits obligation	(49,099)	(40,278)	(37,918)	(28,888)	(26,120)
Surplus	<u>15,748</u>	<u>23,918</u>	<u>30,808</u>	<u>31,378</u>	<u>29,687</u>
Experience adjustments:					
Fair value of plan assets	(5,852)	(6,530)	3,977	(960)	9,560
Defined benefit obligation	<u>1,205</u>	<u>714</u>	(412)	(436)	-

- (i) The principal actuarial assumptions used were as follows:

	<u>2020</u>	<u>2019</u>
Discount rate	6.50	7.00%
Inflation rate	5.00	5.00%
Interest on refunds	6.50	7.00%
Future salary increases	5.00	5.00%
Future pension increases	Valuation assumes no future pension increases	

The actual return on plan assets was (\$120,000).



Notes to the Financial Statements

31 March 2020

13. POST-EMPLOYMENT BENEFIT ASSETS (CONT'D):

- (j) Impact on Defined Benefit Obligation (DBO) of a one year increase in life expectancy

The change in the Defined Benefits obligation (DBO) that would arise from an increase of one year in the life expectancy is an increase of approximately \$0.67 Million (2019: \$0.52 Million).

- (k) The sensitivity of the present value of obligation to changes in the principal assumptions is:

		<u>Impact on post-employment obligations</u>			
		<u>Increase in Assumption</u>		<u>Decrease in Assumption</u>	
<u>Changes in Assumptions</u>		<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
		<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>
Discount rate	1%	(5,086)	(4,049)	6,245	4,951
Salary growth rate	1%	<u>1,044</u>	<u>534</u>	(948)	(443)

- (l) Liability duration

The active liability duration for members was 11.9 years (2019: 11.5).

14. RECEIVABLES:

	<u>2020</u>	<u>2019</u>
	<u>\$</u>	<u>\$</u>
Accounts receivable	10,951,345	9,882,595
Less impairment losses	(7,395,974)	(8,823,602)
	3,555,371	1,058,993
Other	<u>1,719,615</u>	<u>1,775,088</u>
	<u>5,274,986</u>	<u>2,834,081</u>

15. CASH AND CASH EQUIVALENTS:

For the purpose of the cash flow statement, cash and cash equivalents comprise cash at bank and cash in hand as follows:

	<u>2020</u>	<u>2019</u>
	<u>\$</u>	<u>\$</u>
Cash in hand and at bank	37,320,310	50,118,212
Short-term deposits	<u>64,621</u>	<u>64,621</u>
	<u>37,384,931</u>	<u>50,182,833</u>



16. CAPITAL RESERVE:

	<u>2020</u> ₤	<u>2019</u> ₤
Capital grant - Agro-Parks Development	210,094,934	210,094,934
Property, plant and equipment adjustment	2,300,000	2,300,000
Unrealised surplus on revaluation of assets	80,326,650	80,326,650
Holding Farms	1,784,562	1,784,562
Accrued interest waived	4,516,877	4,516,877
Insurance proceeds	1,490,431	1,490,431
Ministry of Agriculture loan write off	549,849	549,849
Proceeds from hurricane insurance claim	<u>1,454,147</u>	<u>1,454,147</u>
	<u>302,517,450</u>	<u>302,517,450</u>

Capital Grants - Agro-Parks Development represents government grants received which were used to carry out infrastructural works, irrigation and drainage to facilitate the establishment of the Agro-Parks.

Unrealised surplus on revaluation of assets was recorded on the revaluation of the Corporation's property, plant and equipment in 1989 and 1995.

The amount for Holding Farms represents the valuation placed on livestock purchased by the Government of Jamaica, through the Commissioner of Lands and given to the Corporation for livestock development.

17. FAIR VALUE RESERVE:

This represents unrealized gain on the revaluation of investments classified as fair value through other comprehensive income.

18. CAPITAL GRANTS:

This represents portions of government grants received for the development of the Agro-Parks, which were used to acquire machinery, fencing etc. An amount equivalent to the depreciation charge relating to these assets is transferred to surplus or deficit for each reporting period.



Notes to the Financial Statements

31 March 2020

19. LONG TERM LOAN:

	<u>2020</u> ₤	<u>2019</u> ₤
Development Bank of Jamaica	1,118,111	3,519,108
Less - current portion	<u>(1,118,111)</u>	<u>(2,115,596)</u>
	<u>-</u>	<u>1,403,512</u>

This represents a loan of \$16 million received on 25 January 2012 for the construction of a packing house facility. The loan is repayable over a period of twelve (12) years at an interest rate of 10% per annum and is secured by; Promissory notes, first mortgage over property at Hartlands, Amity Hall, St. Catherine and Assignment of lease payment from GraceKennedy Foods & Services.

20. PAYABLES:

	<u>2020</u> ₤	<u>2019</u> ₤
Accounts payable	4,866,155	5,777,285
Gratuity payable	23,627,890	21,130,026
Property taxes	9,323,000	9,323,000
Vacation leave	6,857,106	5,286,924
Others	<u>6,050,109</u>	<u>8,181,704</u>
	<u>50,724,260</u>	<u>49,698,939</u>

21. RELATED PARTY TRANSACTIONS AND BALANCES:

Included in the statement of comprehensive income are the following related party transactions:

	<u>2020</u> ₤	<u>2019</u> ₤
Directors' fees	<u>604,500</u>	<u>494,235</u>
Year-end balance -		
Due from -		
Agricultural Marketing Corporation	108,985,734	93,146,677
Less: Provision for doubtful debt	<u>(108,985,734)</u>	<u>(93,146,677)</u>
	<u>-</u>	<u>-</u>

This balance represents reimbursable expenses paid by Agro-Investment Corporation on behalf of Agricultural Marketing Corporation. The terms of repayment in respect of the amount owed by the related party have not yet been agreed. A bad debt provision was recognized by management because they believe that it is unlikely that the amount will be collected in the future, when the results of operations of Agricultural Marketing Corporation were assessed.



22. STAFF COSTS:

	<u>2020</u> ₤	<u>2019</u> ₤
Salaries, wages and allowances	166,012,427	155,387,375
Pension (note 13)	813,000	695,000
Staff welfare and benefits	<u>4,969,226</u>	<u>9,918,487</u>
	<u>171,794,653</u>	<u>166,000,862</u>

The Corporation employed 49 persons at the end of the year (2019: 50).

23. SUBSEQUENT EVENT:

The World Health Organization declared the novel Coronavirus (COVID-19) outbreak a pandemic on 11 March 2020. The pandemic and the measures to control its human impact have resulted in disruptions to economic activities and business operations. This could have negative financial effects on the Corporation, depending on factors such as the duration and spread of the outbreak, the effects on the economy overall and the effects on the financial markets, all of which are highly uncertain and cannot be estimated reliably.

The Corporation has performed various assessments of its business plans under different scenarios, as part of its business continuity and contingency planning. However, at the date of approval of these financial statements, the Corporation is unable to determine a reliable estimate of the financial impact on the overall business operations.



Detailed Statement of Surplus or Deficit

31 March 2020

	<u>2020</u> ₤	<u>2019</u> ₤
SUBVENTION	263,193,722	283,433,152
Other income	<u>35,013,660</u>	<u>23,665,131</u>
	<u>298,207,382</u>	<u>307,098,283</u>
EXPENDITURE:		
Operating expense - Minard Farms (page 37)	53,677,217	54,074,414
Agricultural projects development cost (page 37)	68,494,105	83,473,333
Administrative expenses (page 38)	<u>199,416,581</u>	<u>160,774,844</u>
	<u>321,587,903</u>	<u>298,322,591</u>
(DEFICIT)/SURPLUS	(23,380,521)	8,775,692
Transfer from capital reserve and capital grant an amount equivalent to depreciation charge on capital assets	<u>1,323,864</u>	<u>2,008,041</u>
NET (DEFICIT)/SURPLUS	<u>(22,056,657)</u>	<u>10,783,733</u>



Operating Expenses

31 March 2020

	<u>2020</u> ₤	<u>2019</u> ₤
OPERATING EXPENSES MINARD FARMS:		
Salaries, allowances and statutory contributions	20,324,224	14,600,588
Staff welfare and canteen	-	1,294,192
Decrease in fair value of biological assets	8,671,525	3,990,016
Cattle feed	16,409,008	26,216,352
Medicine and drugs	2,594,407	1,053,989
Barb wire and staples	673,130	360,560
Miscellaneous, hay, twine etc.	230,217	135,856
Repairs and maintenance - tractor/truck	1,953,402	676,939
Repairs and maintenance - pasture, fences, walls	372,885	44,481
Repairs and maintenance - machinery and equipment	179,697	61,378
Repairs and maintenance - other	415,823	2,149,167
Fuel and lubricants	783,183	958,549
Agricultural show	281,411	287,175
Office and general	254,558	242,702
Utilities	255,101	324,646
Travelling	278,646	466,207
Rental/transportation charges	-	200,000
Professional fees	-	520,890
Accommodation	-	490,727
	<u>53,677,217</u>	<u>54,074,414</u>
	<u>2020</u> ₤	<u>2019</u> ₤
AGRICULTURAL PROJECT DEVELOPMENT COSTS:		
Salaries, allowances and statutory contributions	45,712,253	58,819,167
Travelling and subsistence	6,453,306	5,983,912
Agro parks other expenses	15,493,541	18,151,410
Utilities	835,005	518,844
	<u>68,494,105</u>	<u>83,473,333</u>



Administrative Expenses

31 March 2020

	<u>2020</u> ₤	<u>2019</u> ₤
Salaries, allowances and statutory contributions	99,975,950	81,656,960
Directors' fees	604,500	494,235
Travelling and subsistence	3,254,598	1,671,962
Staff welfare and canteen	2,643,825	3,093,474
Pension	813,000	695,000
Motor vehicle allowance	18,577,083	11,560,369
Repairs and maintenance - motor vehicles	4,179,239	2,411,343
Repairs and maintenance - equipment	1,213,998	881,562
Legal and professional fees	2,080,194	1,353,772
Audit fees-current	995,000	950,000
-prior year under accrual	495,800	45,000
Utilities	8,329,734	4,545,415
Office and general	3,998,347	3,858,544
Subscription and donations	507,804	1,524,261
General insurance	9,467,326	7,873,349
Rates and taxes	1,185,208	338,804
Security	56,000	108,805
Miscellaneous	686,748	277,977
Computer supplies	4,711,614	3,141,250
Advertising and promotion	2,446,388	511,516
Meetings, seminars and training	2,475,774	2,781,403
Printing and stationery	1,345,631	1,409,963
Finance charges	629,019	454,457
Accommodation	2,325,401	4,111,756
Rental/transportation charges	671,928	1,087,807
Decrease in provision for bad debt - accounts receivable	(1,427,628)	(3,386,347)
- related party balance	16,626,982	16,343,645
Depreciation	<u>10,547,118</u>	<u>10,978,562</u>
	<u>199,416,581</u>	<u>160,774,844</u>



AUDITED FINANCIALS OVERVIEW

Subject: Overview & Analytical Discussion on the audited Financial Statements for financial year ended March 31, 2020

The year in review, April 01, 2019 to March 31, 2020, revealed some major challenges in the operations of the Corporation. Similar to what happened in the previous year, there were some areas which are of special significance but great improvements were shown in several areas under both the Assets and Liabilities. However, the events, trends and factors that influenced them and the significant impact arising from their occurrence are detailed in the Notes to these Financial Statements.

The preparations of the financial statements were in accordance with the appropriate International Financial Reporting Standards (IFRS) and International Accounting Standards (IAS). The ones that are relevant are IFRS 9-Financial Instruments (effective for accounting periods beginning or after January 1, 2018 and IFRS 15-Revenue from Contracts

with Customers (effective for accounting periods beginning or after January 1, 2018).

The International Financial Reporting Standards (IFRS) which will be implemented in the future include the more important ones are as follows:

1. IFRS 16-Leases (effective for accounting periods beginning or after January 1, 2019). This requires Management to assess the impact of the application of the standard on the Corporation's financial statements.

2. IFRS 9-Financial Instruments-Impairment provisions. The discussion and analysis which follows, aim to provide additional information to expand the objectives of the financial statements. Explanations are provided for the significant changes and trends of Agro Investment's financial position and performance that are represented in various components of the financial statements and which influenced its objectives and strategies, as compared to the previous period.

Mention is also made of substantial commitments, contingencies, and events occurring after the reporting date.

As far as is possible, any information about the Corporation's intended actions which will impact its future operations but is not included in the audited financial statements or accompanying notes, has also been mentioned. Significant positive and negative variances between actual results and the budgeted amounts compared to the prior year financial statements have also been highlighted.

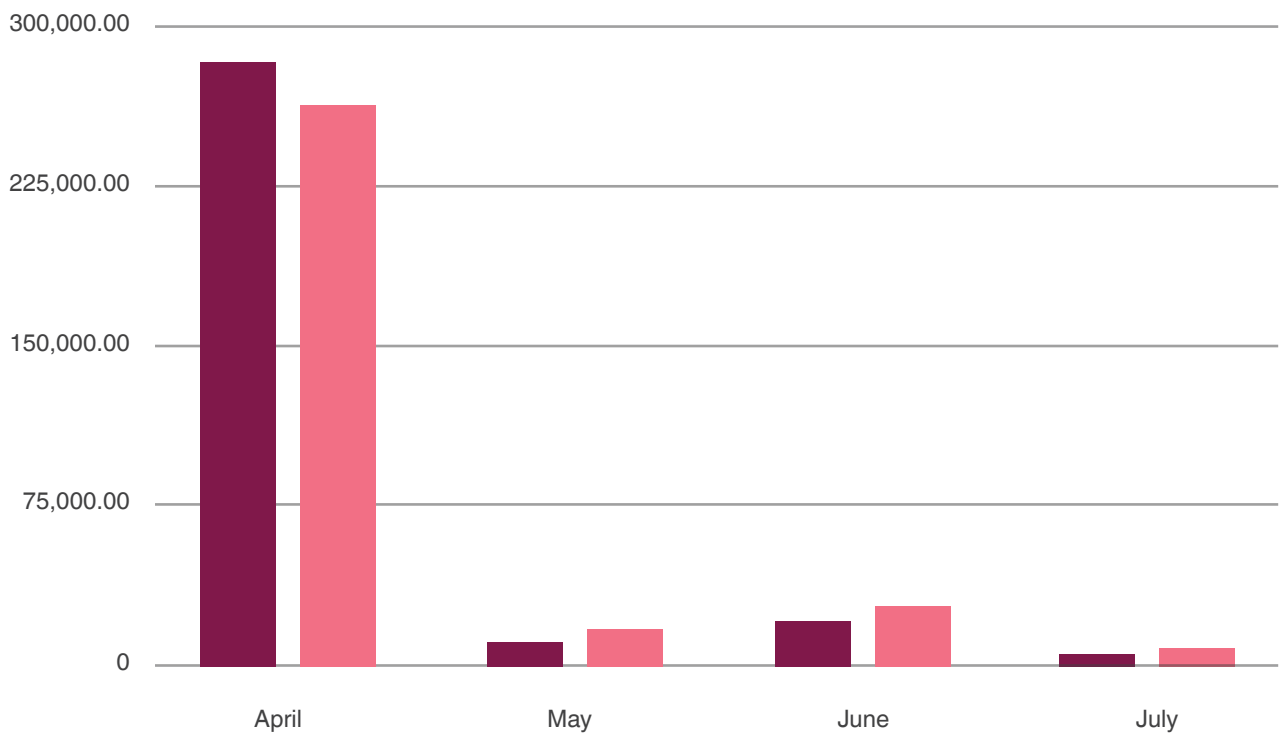
STATEMENT OF COMPREHENSIVE INCOME

Table I below, which is found on Page 4 of the financials, gives highlights of the revenue and expenditure for the financial year for the Corporation for 2019/2020 compared to the results reported in the previous financial year, 2018/2019.

LINE ITEM	FINANCIAL YEAR ENDED MARCH 31, 2020 \$	FINANCIAL YEAR ENDED MARCH 31, 2019 \$	Variance \$	%age Variance \$
REVENUE	35,013,660	23,665,131	11,348,529	47.95
GOVERNMENT SUBVENTION	263,193,722	283,433,152	(20,239,430)	(7.14)
SUB-TOTAL-TOTAL RECEIPTS	298,207,382	307,098,283	(8,890,901)	(2.90)
OPERATING EXPENSES	53,677,217	54,074,414	(397,197)	(0.73)
EXPENSES FOR AGRO PARKS	68,494,105	83,473,333	(14,979,228)	(17.94)

LINE ITEM	FINANCIAL YEAR ENDED MARCH 31, 2020 \$	FINANCIAL YEAR ENDED MARCH 31, 2019 \$	Variance \$	%age Variance \$
ADMINISTRATIVE EXPENSES	199,416,581	160,774,844	38,641,737	24.03
SUB-TOTAL-TOTAL EXPENDITURE	321,587,903	298,322,591	23,265,312	7.80
SURPLUS/(DEFICIT)	(23,380,521)	8,775,692	(32,156,213)	(366.44)
Total other adjustments	1,323,864	2,008,041	(684,777)	(34.07)
NET SURPLUS/(DEFICIT)	(22,056,657)	10,783,733	(32,841,390)	(304.55)
Other Comprehensive Income/(Loss)	792,800	879,553	(86,753)	(9.86)
Total Comprehensive Income/ (Loss)	(21,263,857)	11,663,286	(32,928,143)	(282.32)

Revenues 2019/2019 - Compared to those of 2019/2020





Revenues generated by the Corporation reveal trends and dependencies on specific sources such as the sale of cattle. Revenues generated for the financial year ended March 31, 2020 accounted for only 11.74% of total receipts. Revenue generated increased by \$11,348,529 from \$22,665,131 in the previous year to \$35,013,660 during the financial year ended March 31, 2020. This significant increase was primarily as a result of an increase in cattle sale during the year and increase in lease rental.

'Other Income' of \$35,013,660 is presented separately after 'Revenue'

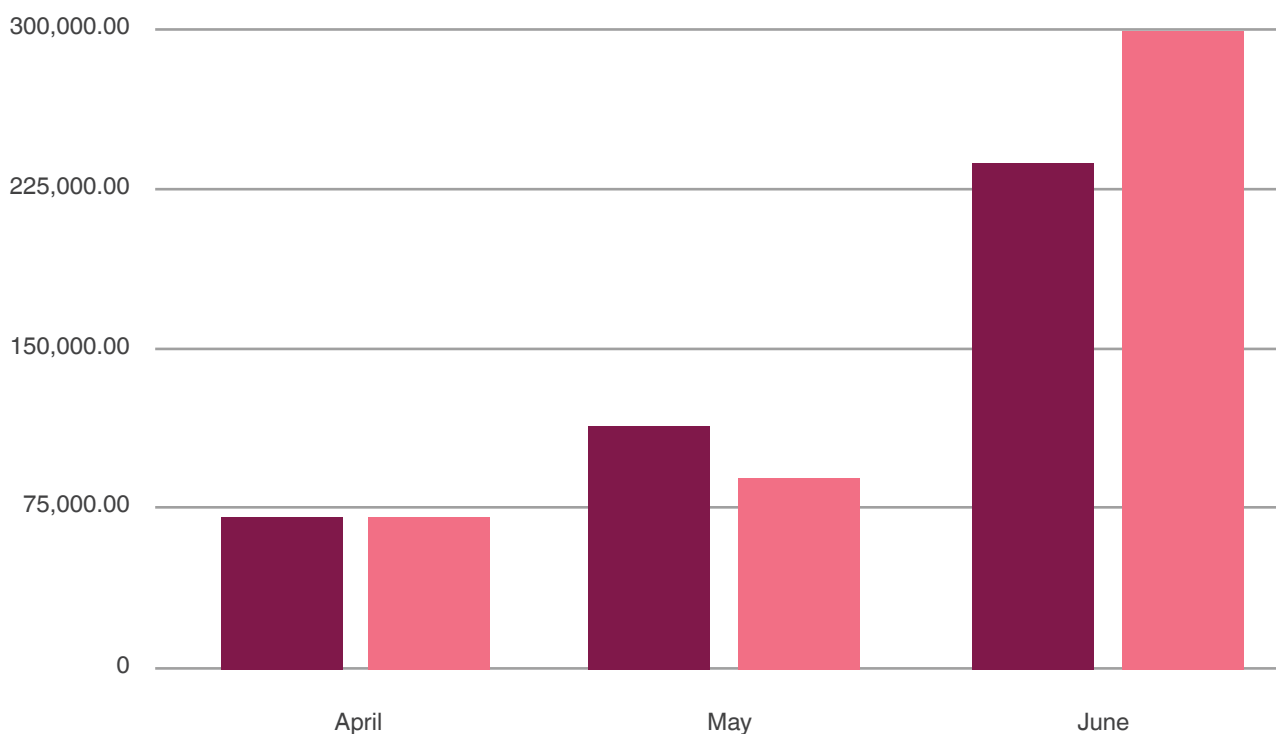
in the audited Financial Statements. 'Other income' comprises mainly of the income from cattle sales which increase by \$7,262,444 or 60.20% moving from \$12,064,446 in 2018/2019 to \$19,326,890 in 2019/2020. While income from lease rental shown in the financial statements increased by \$2,164,059 or 25.23%, moving from \$8,576,249 in 2018/2019 to \$10,740,308 in 2019/2020.

The remaining balance included in overall Receipts represents Government subvention. Changes in revenues by such a major source further indicate trends

and dependencies on other specific revenue sources such as Government subvention, instead of only from land leases and others. Government subvention decreased by \$20,239,430 or (7.14) %, moving from \$283,433,152 in the previous financial year to \$263,193,722 in the reporting period.

Overall, compared to the previous financial year, total receipts decreased by \$8,890,901 or (2.97) %, that is, from \$307,098,283 in 2018/2019 to \$298,207,382 in 2019/2020.

Revenues 2019/2019 - Compared to those of 2019/2020



EXPENSES:

Expenses shown in the Agro Invests' financial statements are classified under three heading, namely; Operating, Agro Parks and Administrative expenses. Overall expenses increased during the financial year being reviewed by \$23,265,312 or 7.80%.



Operating expenses moved from \$54,074,414 to \$53,677,217 which is a decrease of \$397,197 or 0.73 % over the expenses of the previous financial year. Any changes arising from the revaluation of fair value of the biological assets is captured as an expense or an income. This decrease in the fair value of livestock represents as an expense to the Corporation as it is similar to cost of goods sold.

Expenses for Agro Parks totaled \$68,494,105, a significant decrease of \$14,979,228 or 17.94% over the \$83,473,333 expended during the previous financial year and represents changes related mainly to salaries, travel and other expenses.

Administrative expenses which amounted to \$199,416,581 showed a substantial increase of \$38,641,737, or 24.03% over the \$160,774,844 expended in the previous financial year.

Other areas such as repair, maintenance, legal fees, utilities, general insurances, computer supplies, advertisement and promotions increased as well. However, 'Bad debts' provision of \$16,626,982 was made to cover 'Related Party' transactions in the financial year under review which represents reimbursable expenses including public utilities, general insurance and other expenses which the Agro Invest paid on behalf of the AMC.

SURPLUS/(DEFICIT) FOR THE PERIOD

As a result of the several adjustments made, including the substantial provision for 'Bad Debts' as well as adjustment for fair value of biological assets as an expense causing a deficit for the financial year.

STATEMENT OF FINANCIAL POSITION

The amounts and timing of future cash flows necessary to service and repay existing claims to the Corporation's resources will constantly have to be considered. In discharging its responsibilities, attempts were made by the Corporation's management to address several claims in the financial year just ended.

Items that showed significant changes under 'Assets' in the Statement of Financial Position were the Property, Plant & Equipment, Biological Assets, Post-employment Benefit Assets, Receivables, Cash and Cash equivalents, Related Party and for Payables under 'Reserves and Liabilities'.

NON-CURRENT ASSETS

Under non-current assets, there were challenges regarding the required maintenance and replacements, and the question as to the ability of the capital assets to provide sustained services in the future.

During the year, the present management commenced an assessment of the physical conditions of the assets owned or under its management. The existence, age, condition, value and remaining useful life of all physical assets were ascertained and the Fixed Assets Register is still being verified.

PROPERTY, PLANT AND EQUIPMENT:

For the period under consideration, the net book value for this asset grouping which was valued at \$324,158,578 decreased to

\$318,025,831, a decrease of \$6,132,747 or 1.93% as a result of depreciation of office equipment addition of office equipment, machinery and furniture and fixtures.

BIOLOGICAL ASSETS:

The details of this item are contained in Note 12 of the Notes to the Financial Statements. A revaluation of the biological assets was done which correspondingly resulted in a decrease of \$8,671,525 or (19.89) % in the fair value of the biological assets, which moved from \$43,596,750 to \$34,925,225 for the financial year just ended.

POST-EMPLOYMENT BENEFIT ASSETS

Detailed calculations and explanations are provided in the Notes to the Financial Statements. The value of the Pension Asset recognized through an actuarial valuation as required by IAS 19-Employee Benefits showed this item moving from \$6,612,000 to \$7,952,000 a net increase of \$1,340,000 or 20.27% compared to the value in the past financial year.

CURRENT ASSETS

FINANCIAL ASSETS

The changes in financial assets sometimes illustrate the unpredictability in the sources of funds. In this case, making the necessary provisions for irrecoverable/bad debts will have to continue.

- **Receivables & Prepayments:** This line item increased significantly from \$2,834,881 to \$5,274,986. This represents an increase of \$2,440,905 or 53.73% arise mainly as a result of impairment for 'Receivables'. Based on discussion with the Corporation's external auditors, the executive management took the decision to



make a full 'Bad debt' provision for all 'Receivables' over 90 days.

- **Related Party**

The full 'Bad Debt' provision was made for the balance of \$15,839,057. The management will write to the Board of Directors for its approval to 'write off' this total.

CASH AND BANK BALANCES

This item, which represents cash at bank and in hand, along with cash equivalents, decreased substantially by \$12,797,900 or approximately (25.5) % moving from \$50,182,833 to \$37,384,933. This decrease in cash and bank balances was as a result of additional administrative expenses.

RESERVES AND LIABILITIES

RESERVES

- Capital Reserves and Fair Value Reserve are detailed in Notes 16 and 17, respectively in the Notes to the Financial Statements.

- **Current Liabilities**

These are captured in details in the Notes to the Financial Statements mainly under Payables and the current portion of the 'Long-term loan'. For the period under consideration, 'Payables' increased from \$49,698,939 to \$59,724,260. This is a \$1,025,321 or 2.06% change, mainly as a result of increase in Accounts

payable, Contracts payable and accrued vacation leave.

CASH FLOWS

The Statement of Cash Flows is presented in the order of Operating, Investing and Financing Activities. Information about the cash flows contributes to the assessment of financial performance and the entity's liquidity and solvency position. It specifies how the Corporation raised and used cash during the period. Items under operating activities which are not cash transactions hence do not affect actual cash resources. These included items such as depreciation of property, plant, and equipment, any disposal of fixed assets, transfer from capital grants as well as transfer to income from donated assets.

Under the Assets and Liabilities, changes in asset items such as decrease in 'Receivables' and decrease in 'Related party' transaction will be recorded as changes in the Cash Flow Statement. Similarly, a decrease in a liability item such as Payables or Post-employment Benefits is shown as a decrease in cash flow.

During the financial year in question, significant expenditure was made to acquire resources (e.g., property, plant, and equipment, investment property, and Intangible assets) intended to generate future cash flows. This amount of \$4,371,124

representing a deficit in cash flow as a result of purchase of office equipment, machinery, furniture & fixtures is captured under investing activities.

The cash used under the financing activities includes items such as loan repayment to the Development Bank of Jamaica (DBJ) for the facility at the Hounslow Packing House, St. Elizabeth. Overall, at the end of the period, cash and cash equivalent stood at \$37,384,933.

Risks and Uncertainties

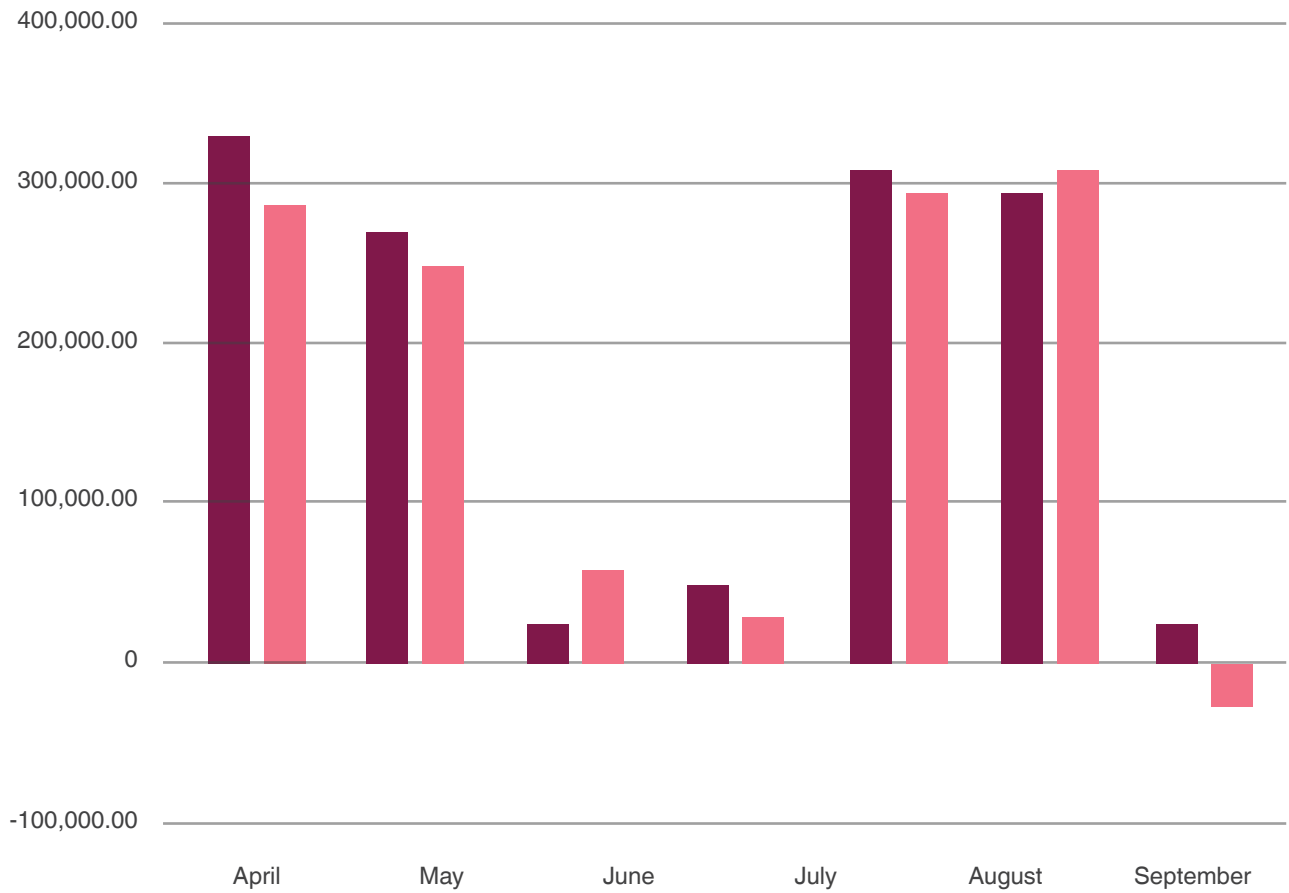
Payables and Contingent liabilities which arose before but for which the present management became responsible, as well as expected outcomes, have impacted risks during the financial year and will continue to do so in the following period. However, great improvements have been shown and will continue to do so in the following period.

However, policies and strategies for safeguarding the Corporation's assets and mitigating such risks and liabilities as well as capitalizing on opportunities have been captured, to a certain extent, in Agro Invest's Policy manual. Going forward, Investment, Bad Debt control, insurance coverage, human resource, lease arrangements and other safety policies and measures approved by the previous Board of Directors, will have to continue to be implemented and tightly managed. These policies have been documented and are available in-house for review.





Comparison of Financial Statements for 2019/20 with those of 2018/19 (\$)



BUDGETARY SUPPORT AND APPROPRIATIONS-IN-AID (AIA)

Budgetary Support and Appropriations-in-Aid which the Corporation was able to generate were greatly improved compared to the prior financial year.

The percentage of the Subvention received versus the Budget which was approved by the Ministry of

Finance & the Public Service moved from 65.36% in 2014/2015, then a whopping 95.50% in 2015/2016, but plummeted to 76.43% in 2016/2017, afterwards increased substantially to 92.66% in 2017/18, fall in 2018/19 to 81.87% and a slight increase to 87.8% in 2019/20 financial year.

Similarly the Appropriations-in-Aid collected versus projection moved from 57.04% in 2014/15 increased

significantly to 114.84% in 2015/16, then decrease to 68.32% in 2016/17, increased again to 104.07% in 2017/18 increase to 156.51% in 2018/19 and a decrease to 109.6% in 2019/20.



Table II below shows the comparisons and overall picture.

Items	2015/2016	2016/2017	2017/2018	2018/19	2019/2020
Total Budget (Approved)	135,704,000.00	200,970,000.00	254,808,000.00	346,171,000.00	299,728,600
Subvention rec'd/ Est. Sub.	129,597,417.00	153,611,408.0	236,120,471.00 (1)	283,433,152.00	263,193,722
%age of Budget rec'd	95.50%	76.43%	92.66%	81.87%	87.8
(Shortfall)/Surplus	(6,106,583.00)	(47,358,592.00)	(18,687,529.00)	(62,737,848.00)	36,531,278
Projected AIA	42,748,000.00	34,606,000.00	34,606,000.00	27,809,000.00	57,187,000
AIA Collected	49,091,895.00	23,641,546.00	36,014,720.00	43,520,953*	62,676,526.35*
% of projected AIA collected	114.84%	68.32%	104.07%	156.5%	109.6%
(Shortfall)/Surplus	6,343,895.00	(10,964,454.00)	1,408,720.00	15,711,953	5,489,526
Subvention rec'd	129,597,417.00	153,611,408.00	236,120,471.00	283,433,152.00	263,193,722
AIA Collected	49,091,895.00	23,641,546.00	36,014,000.00	43,520,953.00	35,013,660
Total receipts	178,689,312.00	177,252,954.00	272,134,471.00	326,654,105.00	298,207,382
Total expenditure	179,277,101.00	124,458,409.00	257,784,225.00	298,322,591	321,587,903
(Shortfall)/Surplus	(587,789.00)	52,794,545.00	14,350,246.00(3)	28,631,514.00	(23,380,521)
%age (over expenditure), surplus/ receipts	(0.33%)	29.78%	5.27%	8.8%	(7.8%)

*AIA- 2018/2019
AIC= \$23,665,131
AMC=\$ 19,855,822

2019/2020
AIC= \$35,013,660
AMC= \$27,662,866

LIQUIDITY RISK MANAGEMENT PROCESS

The Corporation's liquidity management process, as carried out within the Corporation and monitored by the Finance and Accounts Department, includes:

- Monitoring future cash flows and liquidity on a regular basis.
- Maintaining a portfolio of short term deposit balances that can easily be liquidated as

protection against any unforeseen interruption to cash flow.

- Maintaining committed lines of credit.
- Optimizing cash returns on investments.

An analysis of debt servicing costs as a percentage of total expenditure will highlight more evidently the magnitude of expenses that is required to service past obligations, thus reducing the amount of

funds that can be directed to the implementation of the substantial and important programmes such as Agro Parks and Project Development needed for the opportune development of the Corporation. In this regard, effective intervention can therefore be planned on a timelier basis.

Prepared by: Rose Levy (Ms.)
Chief Financial Officer
September 23, 2020

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