2019
Annual Report

Agro Investment Corporation

Grow Agriculture... Grow Jamaica

CORPORATE
DATA

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 identify investments in agriculture through research, information gathering and packaging of investment possibilities and opportunities;
- To promote and facilitate investments through collaboration with other agencies and ministries of government;
- To work with investors to identify investment opportunities and assist them with translating their ideas into viable and sustainable projects;
- To influence other stakeholders to create a friendly and hospitable climate for agricultural investment;
- To mobilize funding to support investment opportunities in agriculture;
- To provide access to government-owned agricultural lands

FOCUS OVER 3 YEARS

The strategic focus of AIC over the next 3 years will be to:-

- Drive Investment growth;
- Strengthen stakeholder collaboration and improve investor relations;
- Build organizational capacity and increase operational efficiency;
- Mobilize and manage resources;
- Focus on project implementation and management

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

CONTENTS

ADDRESS:

AMC Complex,
188 Spanish Town Road
Kingston 11
PO Box 144
Jamaica, West Indies

ONLINE:

www.agroinvest.gov.jm

TELEPHONE:

1 876 764 8071
1 876 923 9268
1 876 923 0086
1 876 923 9261

E-MAIL:

info@agroinvest.gov.jm
acp@agroinvest.gov.jm

CHAIRMAN'S
REMARKS

Though the financial year 2018/19 was inundated with challenges for the corporation, we have been working assiduously to facilitate a strategic direction that will take us to new levels of growth and development. Notwithstanding the challenges, AIC was able to record a surplus of J$10,783,733 for the financial year and decrease our operating expenses. As we continue to grow agricultural investments in Jamaica, we look forward to forging partnerships that will create opportunities for the economy and agriculture.
\

We experienced the resignation of the Board of Directors pursuant to the directive of the Corporate Governance framework for Public Bodies with the change of Portfolio Ministry. We were hit further with the resignation of our CEO, Mr. Sylburn Thomas in December 2018 and had to seek an interim replacement quickly to stop any gaps in our operations. Mr Michael Pryce was seconded from the Ministry of Industry, Commerce, Agriculture & Fisheries to Act as an interim CEO until we were able to make a suitable selection. He was tasked with fixing the internal structure of our operations to include making changes as necessary to accommodate renewal. We extend our appreciation to Mr. Pryce for the work that he did during his short time at AIC.

Nonetheless, our work continues and as we delve deeper into executing on our strategic objectives, we note that our vision of "being the premier agency in the caribbean for attracting, promoting and facilitating agricultural investments' resonates with the core of the corporation's existence.

Over the year, we have seen increases in the number of agro-parks being developed for agricultural usage and export production. The corporation assumed 3 additional agro-parks namely, Yallas, New Forest, Duffhouse and has been working to bring these properties to a level where they will be useful for large scale agricultural investments. The constraints of inadequate resources continue to stifle the progress of agricultural development in Jamaica. We are however committed to the task and will be working very closely with the Honourable Minister to ensure that resources are in place to achieve the goals and objectives set for the corporation.

Production levels on the parks have increased due to an outfitting of well needed human capital to enhance the operations. There are currently 424 persons employed to the agro parks and an increase of approximately 50 new investors is expected over the next fiscal year. Across the agro-parks, there are 150 investors including 37 women and youths combined. Red Stripe has given unequivocal support to the youth program and will be helping the young investors in Cassava production at the Spring Plain and Ebony parks. .

The year saw several successful investments in the form of projects with multilaterals that will have a significant impact on the economy and the agricultural landscape. The Jamaican economy is ripe and ready to embrace agriculture as a viable source of growth and development. Agro-Investment Corporation being strategically positioned as the driver of agricultural renewal and sustainability, has been operating to fulfil this mandate.

Vitus Evans
Chairman

CEO'S REPORT

Agro-investment Corporation (AIC) plays a pivotal role in Jamaica's economy by attracting and facilitating agribusiness investments in the country.

Over the last year, the Corporation has concentrated its efforts on executing a three-pronged agribusiness development strategy of: infrastructure development; optimization of existing production and supply chain assets and systems and attracting large-scale private investments.

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 GlobalGAP 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.

South Clarendon and South St. Catherine Agricultural Development Project

Similar to the Essex Valley Agricultural Development project, the AIC and NIC are collaborating on a project to irrigate 4114 acres of lands in South St. Catherine and South Clarendon. However, unlike Essex Valley, with relatively smaller holdings, this project is conceptualized to comprise pivot (mother) farms and satellite farms operating on contractual bases. The pivot farms of 100 acres to 500 acres will contract with smaller farms of 5 acres to 50 acres and provide the supporting marketing infrastructure, such as processing and warehousing facilities. This project will be completed by 2022.

These projects are funded by the UK-CIF (United Kingdom-Caribbean Infrastructure Project) in the total amount of £53 million which is administered by the Caribbean Development Bank.

GlobalGAP Infrastructure

Cognizant of the changing international marketplace and the elevated competitive advantages that reside in quality management systems, the AIC in partnership with the Agricultural Competitiveness Program (ACP) has implemented GlobalGap in the Spring Plains, Ebony Park and PGR Agro parks to increase market access and exports of fresh agricultural products to international markets as well as to linkages into the domestic hospitality, retail and agro-processing markets.

Asset Optimization

Land use

During the past year, the AIC strategically rationalized its Agro Park lands to achieve 80% land use, with signal of full capacity by early in the coming year. Among the target crops cultivated for import substitution are: Onions, Irish potatoes, cassava and fruits and vegetables. Those crops cultivated predominantly for exporting are hot peppers, pumpkins and sweet potatoes.

Irrigation, drainage and farm access

the irrigation and drainage infrastructure of the Agro Parks were continuously assessed and maintained through the year. While these assets are not yet fully optimized, they are incrementally being brought closer to optimization, while the next generation of technologies are being analyzed for future integration.

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 being developed. The GIDMS will allow for greater efficiency in lease management system, infrastructure assessment and support precision agriculture initiatives.

AMC

the 104,000 sq. ft AMC packaging, storing and office complex remained a high demand property over the year. Consequently, lease rate at the property quickly approximated efficient market prices and tenancy jumped 15% year on year.

As additional lands are brought into primary production, the AMC is earmarked as a logistics hub in Jamaica's food distribution system. Accordingly, the property of 9.5 acres is being offered to the public under a public-private partnership to support that objective. To date, interest in this divestment model remains high, with many domestic and international prospects currently being accommodated for due diligence.

Knowledge discovery

The AIC in partnership with the Research and Development Division and Rural Agricultural Development Authority has established knowledge discovery and demonstration sites in all Agro Parks to ensure that best practices are continuously being discovered, demonstrated and diffused in agribusiness value chains. Onions, Irish Potatoes (table and French Fries varieties), hot peppers and Red Kidney beans are being evaluated.

Youth In Agriculture Program

In partnership with large value chain players, AIC has kick-started the youth in agriculture program, with, initially, twenty (20) youth being engaged on 100 acres of land in the Spring Plain Agro Park. The program is earmarked to expand to 1,000 acres with two years.

Large Investment

During the year, the AIC facilitated Jamaican retailers, agro-processors, exporters and importers to invest backward into primary production in the Agro Parks. Such investments are associated with improved vertical coordination and stronger agricultural value Chains. Similarly, investment interests in large-scale nutraceutical production have been attracted to the Agro Parks with business models that include value addition, such as extraction and formulation.

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: Small ruminants; Aquaculture; Fruit tree crops; Organic Agriculture and Nutraceutical; Herbs and Spices; Roots and Tubers and Fruits and Vegetable for import substitution and exports.

CORPORATE
GOVERNANCE REVIEW

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

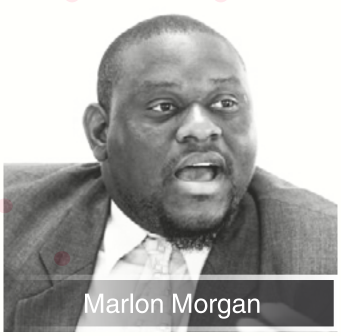
BOARD OF DIRECTORS | PAST


Grace Burnett


Vitus Evans


Greg Christie


Gary Coulton


Marlon Morgan


Merle Donaldson


Peter McConnell


Marshall Peterkin

Agro-Investment Corporation would like to thank the former Board of Directors who served the corporation relentlessly until the end of their tenure in July 2018. We salute your efforts, dedication, energy and commitment over the last 2 years to the AIC family. We wish you all the best for the future and beyond. To the ones that remain, we will continue to support your strategic direction for the corporation and stand ready to pursue the mandate set for this great company.

BOARD
MEETINGS

Three (3) official Board Meetings were held during the reporting period. Other members of the Board met for a field trip of the Agro-Parks, and on four separate occasions to facilitate interviews for the Acting Corporate Secretary, interim CEO and the current Head. 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

1/11 **2019**	1/31 **2019**	2/15 **2019**	1/14 **2019**	2/5 **2018**	4/5 **2018**	
Present	Present	Present	Present	Present	Present	Vitus **Evans**
Absent	Absent	Present	Present	Present	Present	Gary **Coulton**
Present	Present	Present	Absent	Absent	Present	Gavin **Bellamy**
Present	Present	Present	Absent	Absent	Present	Merle **Donaldson**
Present	Present	Present	Present	Not Applicable	Not Applicable	Junior **Graham**
Present	Present	Absent	Present	Not Applicable	Not Applicable	Karl **Hyatt**
Present	Present	Present	Absent	Not Applicable	Not Applicable	Marshall **Peterkin**
Present	Present	Present	Absent	Not Applicable	Not Applicable	Marlene **Porter**

Present Absent Not Applicable

It is important to note that in March 2018, the corporation had a change of Portfolio Ministry from the Ministry of Economic Growth & Job Creation to the Ministry of Industry, Commerce, Agriculture & Fisheries (MICAF). As a result, the Board of Directors tendered their resignations pursuant to the guidance from the Corporate Governance Framework for Public Bodies which states that a Board must resign at the change of a Portfolio Minister and Ministry. Further to the resignations, the tenure of the board culminated in July 2018.

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.

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 to provide 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
- 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 continue to review and enhance the company's risk management framework to ensure that they are actively identifying and managing risks most efficiently and effectively 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 a deterrent to fraud or other corruption or serious malpractice. It is also intended to protect the corporation's business and reputation.

During the year, two issues of significance were raised. One was quashed and the other investigation is ongoing.

Report on Board Committees

There are 6 committees of 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 the particular committee. It must be noted that the Audit and Procurement committees are properly constituted as per the guidelines prescribed.

Lease Review Committee Attendance Record

2/26 | **2019**	
1 of 1	Merle **Donaldson**
1 of 1	Vitus **Evans**
1 of 1	Karl **Hyatt**
1 of 1	Marlene **Porter**

Audit Committee Attendance Record

3/7 | **2019**	
1 of 1	Vitus **Evans**
1 of 1	Junior **Graham**
0 of 1	Gary **Coulton**

Human Resources Committee Attendance Record

1/28 | **2019**	
1 of 1	Marlene **Porter**
1 of 1	Vitus **Evans**
1 of 1	Gary **Coulton**

Corporate Governance Committee Attendance Record

3/13 | **2019**	
1 of 1	Karl **Hyatt**
1 of 1	Junior **Graham**
1 of 1	Gavin **Bellamy**

BOARD
PROFILES

Vitus
Evans

Chairman

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

Vice Chairman

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

Board Member

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

Board Member

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.

Marshall **Peterkin**

Board Member

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**

Board Member

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**

Board Member

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**

Board Member

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**

Company Secretary

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.

"It is important to note that in March 2018, the corporation had a change of Portfolio Ministry from the Ministry of Economic Growth & Job Creation to the Ministry of Industry, Commerce, Agriculture & Fisheries (MICAF)"

April 2018 - March 2019

Agro Investment Corporation | Directors Compensation

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	110,050.00				110,050.00
G. Christie	7,000.00				7,000.00
M. Peterkin	28,000.00				28,000.00
P. McConnell Jnr	14,500.00				14,500.00
G. Burnett	36,000.00				36,000.00
M Morgan	46,500.00	7,990.00			54,490.00
M. Donaldson	54,000.00	7,520.00			61,520.00
G Coulton	28,000.00				28,000.00
J. Graham	35,500.00				35,500.00
M. Porter	25,500.00				25,500.00
K. Hyatt	40,000.00				40,000.00
G. Bellamy	25,500.00				25,500.00
** K McPherson	9,000.00				9,000.00
** D Thomas	18,000.00				18,000.00
TOTAL	**477,550.00**	**15,510.00**			**493,060.00**

Notes:

1. Where a non-cash benefit is received (e.g. government housing), the value of that benefit shall be quantified and stated in the appropriate column above.

** | Co-opted Audit Committee Members | Not Board Members

PRINCIPAL & SENIOR OFFICERS

April 2018 - March 2019

Agro Investment Corporation | Senior Executive Compensation

Position of Senior Executive	Year	Salary ($)	Gratuity/ Performance Incentive ($)	Travelling Allowance/ Value of assigned m/ vehicle ($)	Pension/Other Retirement Benefits ($)	Other Allowances ($)	Non-Cash Benefits ($)	Total ($)
Sylburn Thomas		4,338,857.31	257,144.00					5,996,001.31
Michael Pryce		1,400,000.00						1,400,000.00
Kadianna Ramballi		4,574,171.28	1,425,474.00	1,056,567.96				7,056,213.24
Judith Leslie		4,296,476.04	1,425,474.00	1,056,567.96				6,778,518.00
Sherine Landell		4,296,476.04	1,425,474.00					5,721,950.04
Lillymae Walder		2,282,502.92	832,923.40					3,115,426.32
Rickman Edwards		3,014,349.00	751,663.00	750,053.81				4,516,065.81
Owen Scarlett		4,057,782.96	1,425,474.00					5,483,256.96
Taniesha Campbell		3,162,111.58	863,043.79					4,025,155.37
Kimberly Billings		2,837,034.96	751,663.00					3,588,697.96
Total		**34,259,762.09**	**9,158,333.19**	**2,863,189.73**				**46,281,285.01**

Notes:

1. Where contractual obligations and allowances are stated in a foreign currency, the sum in that stated currency must be clearly provided and not the Jamaican equivalent.
2. Other Allowances (including laundry, entertainment, housing, utility, etc.)
3. Where a non-cash benefit is received (e.g. government housing), the value of that benefit shall be quantified and stated in the appropriate column above.
4. Change of CEO in the year

PRINCIPAL OFFICER

Mr. Sylburn Thomas	Chief Executive Officer
Mr. Michael Pryce	Chief Executive Officer (Acting)*

SENIOR
OFFICERS PROFILES

Kadiana **Ramballi**

Chief Financial Officer

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**

Properties & Fixed Assets Manager

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**

Chief Audit Executive

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.

Owen **Scarlett**

Agro Park Development Director

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**

Director HR & Development

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**

Information Technology Manager

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**

Director - Project Development

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

The financial year 2018/2019 continued to be a transformational journey for the various Agro-Parks across the country. Despite numerous challenges, the parks were able to perform well in the spring and fall seasons by showing an increase in yield for vegetable and root tuber production. Notably, there was a revenue increase for Agro Investment Corporation and the private investors. The operational strategy for 2018/2019 financial year was focused on building our human capital for the parks, and also develop the Quality Management System (QMS) for the investors so that access could be gained into Regional and International markets through certification by assistance from Guardian Harvest.

Back Row (left to right): Tara Johnson, Owen Scarlett, Duvoughn Thomas, Anthony Trout, Balmore Manning, Terrence Samuels

Front Row: Georgia Curtis, Sheron Mcfarlane, Princess Lee

Agro Investment Corporation | Projects & Activities Result Matrix

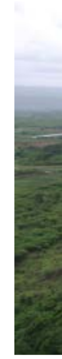
Strategy	Performance Indicator	Target	Performance/ Achievements	Total Performance On/Off	Explanation
Increase availability, capabilities, and conservation of arable lands; develop and strengthen institutional frameworks for marketing, distribution, quality management, and sustainability systems; develop and deliver technical services and technological solutions in agribusiness value chains	% of infrastructure works completed (2017 base year).	30% of Infrastructural works completed for 4 Agro Parks i. 68 ha. Cleared ii. 15 km of road upgraded iii. 10km of drains upgraded iv. 60 eye/hand wash units procured v. 10 Global GAP compliant bathrooms installed vi. 2 Producer Groups office constructed	16.52% i. 38.45 ha cleared ii. 17.50 km of the road upgrade iii. 1.28 km of drain established iv. 20 eye/hand wash units procured v. 8 stationary and 3 mobile bathrooms		Insufficient funding
	# of hectares planted	i. Amity Hall 644,766 kg ii. Ebony Park 1,060,181.85 kg iii. Spring Plain 1,173,954.60 kg iv. PGR 579,855 kg Total = 2,878,902.45 kg	i. Amity Hall ii. 512,556.7 kg iii. Ebony Park 807,699.815 kg iv. Spring Plain 508,646.846 kg v. PGR 333,377.85 kg Total = 2,162,281.21 kg		
	% utilization of arable land	70%	90%		
	# of kg harvested	i. Amity Hall 644,766 kg ii. Ebony Park 1,060,181.85 kg iii. Spring Plain 1,173,954.60 iv. PGR 579,855 Total = 2,878,902.45	i. Amity Hall 512,556.7 kg ii. Ebony Park 807,699.815 kg iii. Spring Plain 508,646.846 kg iv. PGR 333,377.85 kg Total= 2,162,281.21 kg		Underreporting
	Value of agricultural output from Agro Parks	$285,011,342.55	$214,065839.79		Underreporting

Strategy	Performance Indicator	Target	Performance/ Achievements	Total Performance On/Off	Explanation
	# of tractors fully operational and maintained	4 tractors fully operational and maintained	4 tractors fully operational and maintained		
	# of Farmers/ Investors Trained and employing best practice evidenced by increased production and productivity and reduced post-harvest loss	145 Farmers/ Investors Trained and employing best practice evidenced by increased production and productivity and reduced post-harvest loss	236 Farmers/ Investors Trained and employing best practice evidenced by increased production and productivity and reduced post-harvest loss		
	# of finance windows created for farmers to gain access to credit	2 finance windows created for farmers to gain access to credit	1 loan Financial window		
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	3 AEZs scoped & assessed	3 AEZs scoped and assessed		

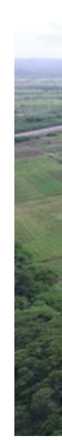
Strategy	Performance Indicator	Target	Performance/ Achievements	Total Performance On/Off	Explanation
Rapid research, experimentation, innovation; opportunity discovery and validation; public-private partnerships on pilot projects; and mobilization of private capital in new and downstream commercial ventures	# of MOU established with a research institution	2 MOUs established with / Service level agreements	4 Memorandums of understanding signed		
	# of international learning journey completed	1 international learning journey completed	1 international learning journey completed		
	# of local learning journey completed	2 local learning journeys completed	6 local learning journeys completed		
	# of field experiments conducted	8 field experiments conducted	6 field experiments conducted		Unsuccessful collaborations
	# of sustainable value chains established	2 sustainable value chains established	3 sustainable value chains established		
	# of structured marketing arrangement in place resulting in a 20% increase in production	3 structured marketing arrangement in place resulting in a 20% increase in production	5		
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.	150 investors operating in the Agro Parks.	155 investors operating in the Agro Parks.		
	# of persons employed in the Agro Parks	500 persons employed in the Agro Parks	424		
	# of youths, women and other target groups investing in the Agro Parks	20 youths, women and other target groups investing in the Agro Parks	37 youths and women investing in the Agro Parks		


Amity Hall


Spring Plain

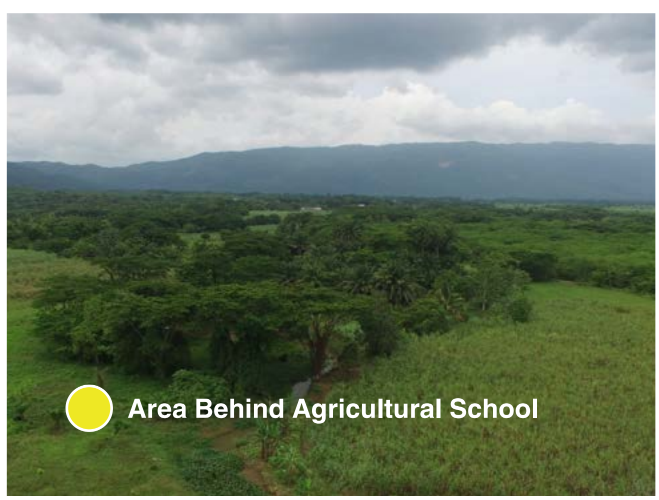



Amity Hall




Pepper Farm


Sugar/rumfarm/plant

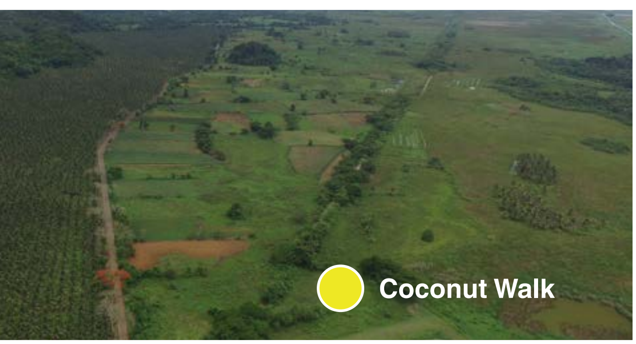

Area Behind Agricultural School


Ebony Park

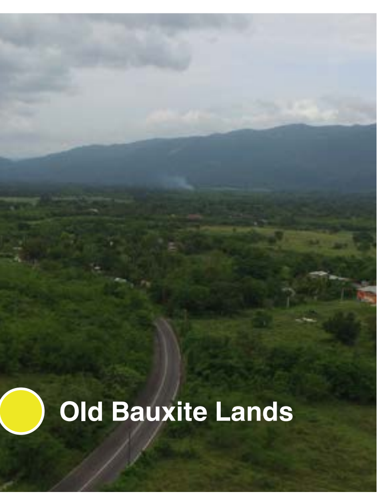

Spring Plain


Amity Hall


Old Bauxite Lands

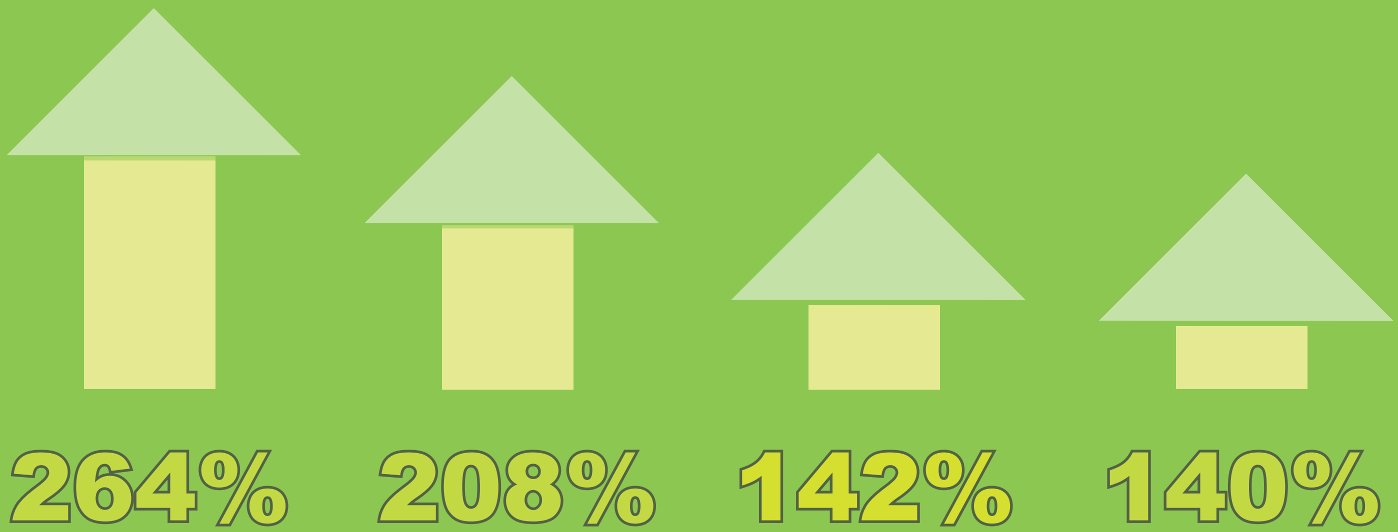

Coconut Walk


Spring Plain


Old Bauxite Lands


Ebony Park


Ebony Park



The operational plan performance table shows the number of hectares planted in Plantain Garden River (PGR) to be 264%, Amity Hall 208%, Spring Plain and Ebony 142% and 140% respectively.

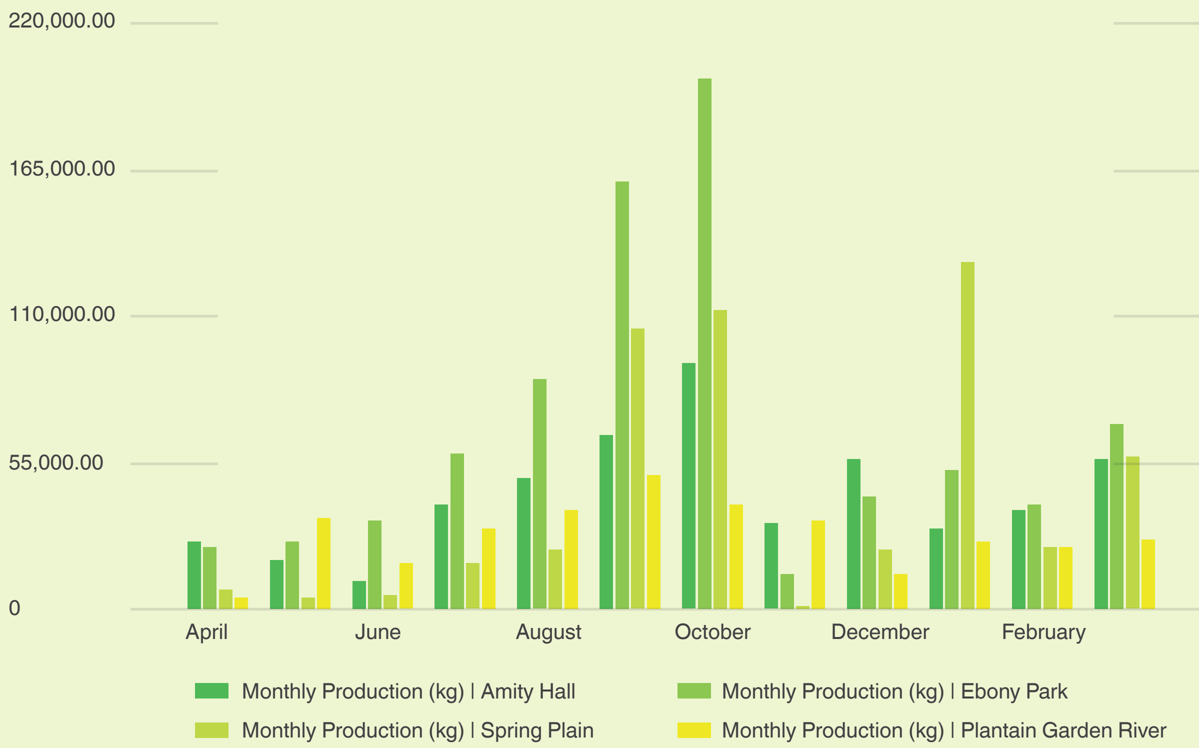
The table above gives an insight into the number of kilograms produced by the four (4) Agro Parks, which are: Amity Hall at 79.5 %, Ebony Park 76.2% and PGR and Spring Plain 57.5% and 43.3% respectively.

185%
Increase in youths, women and other target groups investing in the parks

103%
Increase in the number of investors operating in the Agro Parks

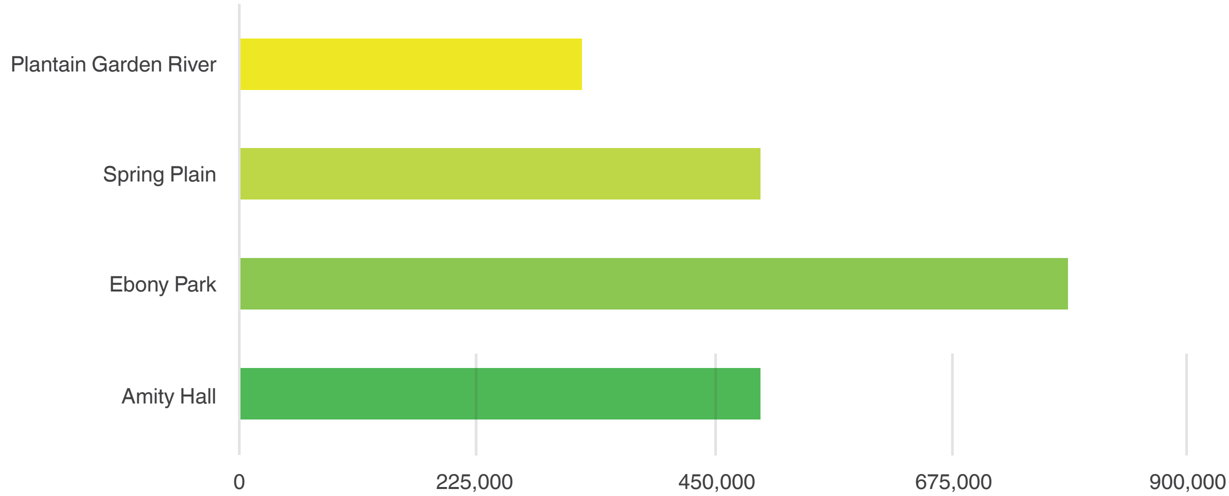

Spring Plain

Production per Month per Agro Park

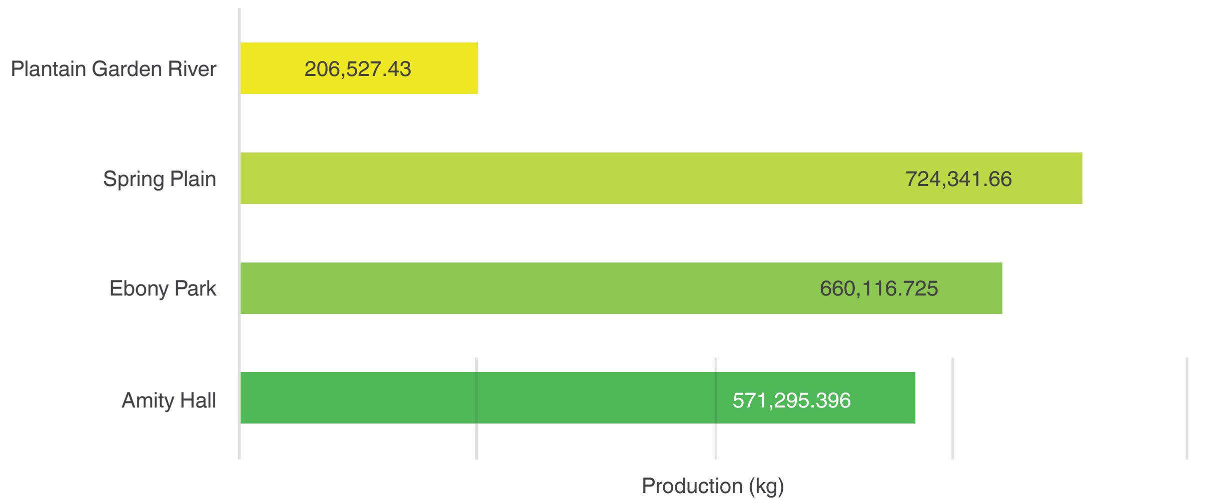


Agro Park Production (Kg) and Revenue Generated ($JMD)

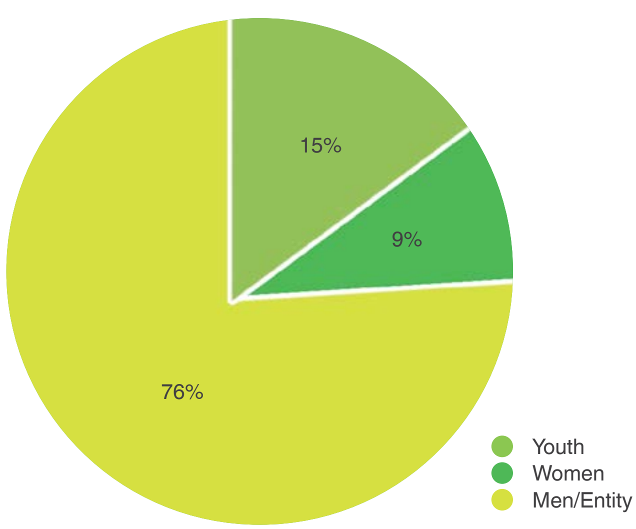
Production per Agro Park (2018-2019)



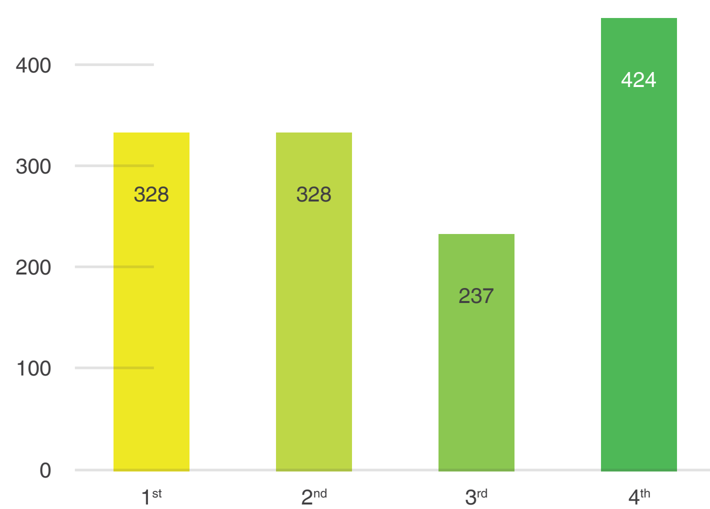
Production per quarter



Investors on Agro Parks



Number of employees per quarter



The Agro Park team, for the year 2018/2019 worked to increase production and productivity of the Agro Parks, build the capacity of farmers and members of the team, develop and strengthen institutional frameworks for marketing, distribution and Quality Management System (QMS) and incorporate technology in agricultural production.

Production and Productivity

To increase production and productivity, the department conducted and facilitated training for investors and farmhands in Pest and Disease Management, the Importance of Soil testing and use of the pH meter, water conservation and management, Production Systems for pumpkin, okra and sweet potato. To increase the capacity of the staff; the following training sessions were carried out: Preventative Control Qualified Individuals (PCQI), Single Bud technology for Ginger and Produce Safety Rule., resulting in better equipped farmers and a team more capable of expediting transformational growth.

Agro Parks Crop Varieties

- Ebony Park/Spring Plain specializes in cassava, Sweet potato, onion, okra, Caster bean, Irish potato, cucumber, dasheen.
- Plantain Garden River (PGR) has mastered the production of pumpkin, Irish potato, onion, cassava and Sweet potato
- Amity Hall excels in Hot peppers, Sweet potatoes, pumpkins,

International Competitiveness

Competition in the international market space was facilitated by collaborations with stakeholders such as RADA, NIC, ACP, PCA, NEPA, supporting arms of the Ministry of Industry, Commerce, Agriculture & Fisheries (MICAF) and, QMS consultants, Guardian Harvest. This venture resulted in 45 farms being Global G.A.P. certified for cops such as onion, Hot peppers, Watermelons, Sweet potato, escallion, thyme, pumpkin and cassava. This was done through the development and execution of a Food Safety and Security System, Training program and Implementation plan.

Market Linkages

Attempts were made to strengthen linkages with the Export, Food Processing, Hotels and niche markets. Some linkages made included: Imagination Farms, Red Stripe Company Limited, Rain Forrest Sea Food, Farmlink and Mid Island Packaging Company (MIPCO) through MOUs and contractual arrangements. To ensure sustained production, the unit developed production schedules and implementation plans.

Technology in Agriculture

Through the assessment and strategic planning of each Agro Park, the need to utilize technology in agriculture was at the forefront of our strategy. The use of plastic and natural plant fibre mulch can be seen on the various Agro Parks. Similarly, farmers have also been introduced to heat-tolerant varieties in crops such as tomato, cabbage, cucumber and pumpkin. The first trial for rapid research was carried on pumpkin production which included two (2) new tropical varieties (heat tolerant).

Likewise, the technological drive saw the Agro Park Unit Partnering with input providers to introduce, train and monitor the use of advance chemistries in farmer-owned research plots. Evergrow Gardening Centre, St. Jago Farms Store, Jamaica Fersan, Hi-Pro Ace, H&L Agro, Carib Agro, H2K, and Ag-Chem were the major suppliers that were integral in these developments.

There were several local learning journeys where farmers were taken to observe the use of seedling transplanter, mulch and irrigation laying machines and harvesters. This was the first step in getting farmers to appreciate the importance of a mechanized approach to increasing production and productivity. An international learning Journey took a unit member to the Republic of China to acquire knowledge in Agricultural Technologies across five (5) Provinces.

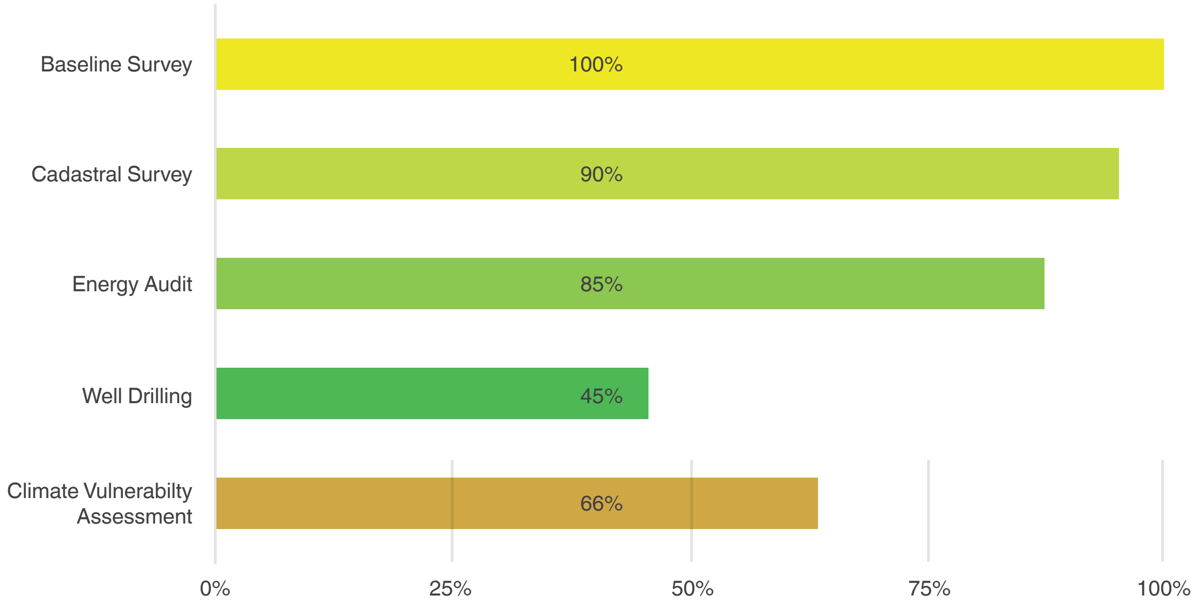
Social Equality Strengthening

The Women in Agriculture and Youth in Agriculture Programs were developed to address the need for inclusion of these minority groups as outlined in the Jamaica 2030 Vision for agricultural development. To date, three (3) youths have begun operations on their plots with up to eight (8) more youths being processed to begin their investment in agriculture. The Women in Agriculture program was piloted in Amity Hall Agro Park; where women are producing crops such as Hot peppers and onions, utilizing climate-smart approaches to their production and notable have superb managerial skills.

Essex Valley Agriculture Development Project (EVAP)

The Essex Valley Agriculture Development Project is a collaboration between Agro Investment Corporation (Agro Invest) 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 current status of the project is as follows:

Essex Valley Agriculture Development Project (EVAP)



To date, Seventy-Eight Million Eight Hundred Jamaican dollars ($JMD 78,825,000.00) has been invoiced to be paid out to contractors and consultants on the EVAP.

Southern Plain Development Project (SPAD)

The Southern Plain Development Project is another collaboration between Agro Invest and the NIC. The objective of the project is to develop Seven Hundred and Ninety-four Hectares (794Ha) of lands with irrigation, roads, drainage and administrative buildings in order to enhance agriculture production.

Discovery Plots

Discovery plots are a very important strategic pathway for the development of investors in the various Agro Parks. A number of stakeholders such as Jamaica Drip, H&L Agro, St. Jago Farm and Carib Agro, in addition to the MICAF have provided inputs for the demonstration plots. The two (2) main import substitution crops (onion and Irish potatoes) were demonstrated at Ebony Park, Plantain Garden River and Amity Hall.

Lessons learned from Discovery plots:
Selection of the most suitable variety for each planting season.

a. Incorporation of the most efficient plant chemistries to improve soil and plant Health thus increasing production
b. Utilization of Precision nutrition versus traditional fertilizer application required at varying stages of crop development.
c. Available and effective chemicals that controlled Common Pests and Diseases

Principal focus (2019/2020)

- Capacity building programme
- Climate-Smart Agriculture practices on agro Parks
- Essex Valley Project
- Farm roads and drainage - upgrading and maintenance Global G.A.P. (recertification and certification of new Agro Parks)
- Holland Estate Project
- Machinery and implement procurement and maintenance
- Marketing - Targeting international and local markets
- New technology incorporation
- Offices at Agro Parks- refurbish and supply with potable water
- PGR Expansion
- PGR irrigation expansion
- Post-harvest storage facility
- Research and development
- Security
- Southern St. Catherine Agricultural project (Expansion of Amity Hall and Bridge Pen)
- Spring plain/ Ebony Park infrastructure development
- Youth in Agriculture programme

PROPERTIES
& FIXED ASSETS

The Agro-Investment Corporation is responsible for the management of the Agricultural Marketing Corporation (AMC) which owns over 100,000 sq. ft. (9,290.3 sq. ft.) of rentable space at the Export Complex located at 188 Spanish Town Road, Kingston 11, and at out-stations in Wait-a-Bit, Trelawny; Christiana, Manchester; Browns Town, St. Ann; Darliston, Westmoreland and Guys Hill, St. Catherine to investors within the agricultural sector. The facilities at the AMC include secured grounds for loading containers, packing houses, chill rooms, warehouses and offices. Over 5,000 tons of non-traditional produce is exported from the complex annually.

The Agro-Investment Corporation is also custodian of over 2,000 hectares (4,942.13 acres) of arable, state-owned agricultural lands, which is made available to investors. These include Amity Hall Agro-Park in St. Catherine, Ebony Park and Spring Plain Agro Parks in Clarendon and the Plantation Garden River Agro-Park in St. Thomas as well as the Minard Estate Farm in St. Ann. These properties are operated on a subsidized basis as an incentive to production, productivity and job creation.

Agricultural Marketing Corporation

The AMC continued to play a catalytic and pivotal role in facilitating the marketing of non-traditional agricultural produce. The facility was developed to provide cost-effective certified marketing infrastructure, which is efficiently managed to enable producers and exporters of non-traditional agricultural produce to access and compete in the domestic and foreign markets. The facilities available are:

- Warehouse space
- Chill room space
- Office space

Occupancy

The Complex is approximately 104,084.70 sq ft. (9,669.79 sq. m). At the end of the reporting period, approximately 67% of warehouse/packing house and 89% of office space were leased.

There are currently twenty (20) tenants occupying office and warehouse spaces. Approximately 25% of these tenants are agro-processors for the export market, while the others are involved in different trading and packing activities.

Renovation/Rehabilitation of the Complex

The main warehouse block, estimated at 4366.44 sq. m (47,000 sq. ft) which was slated for complete renovation to meet the Food and Drug Administration (FDA) and other international food safety requirements was still on pause at the end of the year. This had a debilitating impact on the revenue earning potential of the facility. This renovation was put on hold due to the lack of budgetary support and the planned divestment of the complex.

Employment

The complex provides employment for an estimated two hundred (200) persons which has contributed to job creation nationally. At the end of the financial year, there were pending applications for facilities which could further increase employment.

Land Management

Agro-Invest manages and operates several agro-parks and properties across the island that are geared towards reducing import subsidies and increasing the export of agricultural products. With this in mind, Agro-Invest continues to identify and attract investors to take advantage of the opportunities within the agricultural sector.

Agro Investment Corporation | Land utilization of properties owned and/or managed by AIC

Agro Park	Total Arable Area (acres)	Area Irrigated		Area Not Irrigated	
		Leased	Not Leased	Leased	Not Leased
Amity Hall	2,340	138.65	11.35	269	1,921
Ebony Park	896	816	80	0	0
Spring Plain	943.12	661.12	72	0	210
Plantain Garden River	253.2	230	0	23.2	0
Total	**4,432**	**1,845.77**	**91.35**	**292.2**	**2,131**

Agro Investment Corporation | Other properties managed by the AIC

Agro Park	Total Arable Area (acres)	Area Irrigated		Area Not Irrigated	
		Leased	Not Leased	Leased	Not Leased
Spring Gardens	57.45	57.45	0	0	0
Wallens	250	0	0	250	0
Bernard Lodge	36.28	36.28	0	0	0
Rhymesbury	263.48	0	0	263.48	0
Total	**607.21**	**93.73**	**0**	**513.48**	**0**

Non-Performing Lease

Agro-Invest has embarked on a project to identify the delinquent tenants as well as farmers/investors who are performing below the minimum 75% production standard as stipulated in existing Land Lease Policy. To date, approximately 468 acres of land have been revoked. The revoked properties have been advertised and assigned to new investors.

The establishment of these new agro-parks will enable Agro-Invest to target investment opportunities, new crops or ventures such as small ruminants. Additionally, the development of new parks in strategic locations will cater to potential investors who have expressed difficulties with the locations of the current agro-parks.

During the Financial Year 2018/19

Acreages Targeted for Prospective Agro-Parks

Agro Park		
St. Thomas	182.11	450
Clarendon	2961.58	7318.22
St. Mary	242.81	600
St. Elizabeth	829.19	1,801.87
Hanover	48.38	119.55
Westmoreland	67.32	166.35
Total	**4,331.39**	**10,455.99**

MINARD

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 (AIC) 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 the improvement and conservation of the three local beef cattle breeds through a planned breeding and selection programme which incorporates gain testing for the selection of future herd sires.

1.1 Cattle Sales

The sale of weaners continues to be the biggest income generator with 120 animals being sold last year which is 4 more than the previous year. The sale of weaners is seconded by sale of other classes of animals (young bulls, cull cows and cull bulls) which amounted to 54 animals. With the increasing demand for weaners and the other classes of animals locally and internationally, Minard Estate Farms is positioned as a repository for superior seedstock and is a major stakeholder that is vital to the continuity of the local cattle industry.

1.2 Loan Bull Scheme

The farm actively participates in the loan bull scheme. Under such agreement, bulls especially from the Jamaica Black breed are loaned to farmers in an effort to improve the quality of their herds through the introduction of test and proven genetics. With the increasing demand for semen, Minard Estate Farms has partnered with the Bodles Research Station to collect, process and store semen for Minard grown bulls.

1.3 Cow evaluation and replacement heifer selection

The cow herd evaluation is designed to record information on economically important traits (calving interval, calf livability, weaning weight etc.). The recorded information is then analyzed to identify the superior cows while identifying those for culling. Heifers are selected based on the replacement demand with special emphasis being placed on weaning weight, conformation, breed characteristics and post weaning weight gain. After this rigorous selection process, all low producers are culled to ensure that only the highest performing animals are selected and this results in continuous improvement of the breeds.

PROJECT DEVELOPMENT

The Project Development Department aims to effectively deliver an integrated suite of Agribusiness services geared towards promoting and facilitating investments in agriculture. Its main priorities are to:

- Increase public awareness, attract and facilitate investments in agriculture, Increase the competitiveness of Jamaica's agriculture in domestic and global markets by identifying, mobilizing and managing funds to finance productive projects
- The unit is responsible for the preparation and development of investment projects and proposals, business cases and concept papers to stimulate interest and stakeholder implementation. The department provides business facilitation services by walking potential investors through the stages of the investment process, preparing business and implementation plans and providing market support services.

TRADE SHOWS & INVESTMENT EVENTS PLANNED AND EXECUTED

The department has led the conceptualization, organization and successful implementation of the following events:

- **CASE Alumni Association Panel Discussion**

This event was held on Thursday May 17, 2018 at the Jamaica Pegasus, Kingston under the theme: "The Status of Jamaica's National Food Security and the Vulnerability of Local Food Supplies to External Economic Shocks". Agro-Invest was instrumental in the development of the concept and follow through to the execution of the event. The Corporation was a title sponsor and also contributed to the event via a twenty minute presentation on the topic "Investment Opportunities for Enhancing National Food Security" which highlighted how investing in Jamaica's agricultural sector can aid in wealth creation for individuals, investors as well as providing food security for the nation.

- **Kingston Farm Yaad Expo – Small Ruminants Association**

Held on December 16, 2018, this event was hosted in collaboration with the Small Ruminant Association of Jamaica (SRAJ) at the Jamaica 4H headquarters in Kingston. The event was a family friendly one with a kiddie's village that included a petting zoo featuring various small ruminants. The aim of this activity was to introduce the concept of small ruminant farming to an urban audience and present the value added opportunities that exist in the sector. Agro-Invest sat on the planning committee, assisted the SRAJ in developing the concept and was responsible for the "Capacity Building Station" at the event and partnered with agencies such as the FAO, Scientific Research Council, HEART Trust NTA and CARDI Caribbean to provide on-site demonstrations on goat milk soap and lotion making, preparation of choice cuts from small ruminants and goat milk and cheese preservation. The capacity building station was the brainchild of Agro-Invest in line with our commitment to promote opportunities outside that of primary production and integrate agro-processing into the Jamaican agri-business landscape. The event served as an opportunity to engage critical stakeholders who are essential in the development of the small ruminant sector in Jamaica and secure buy-in for the planned Small Ruminant Agro-Park and clustering concept.

- **Minard Livestock and Beef Festival – Animals on Display.**

Agro-Invest is a sponsor via the use of the Minard Estates property as the official show venue. In 2018, the event benefitted from having members of the Project Development Department team as part of the planning committee and show staff on event day. The team provided support to the Cattle Breeder's Society in identifying and engaging sponsors and provided the photography service to capture images which were used in the after event media blitz. Cattle from the Minard Estates Farm were on display at the event and calves from the farm were used in the calf scrambles- a competition geared at encouraging youth interest and participation in agriculture. The annual event is critical for the development of Jamaica's livestock and beef cattle sub-sectors with attendance of approximately 4,000 patrons mostly comprising students from primary and secondary institutions across the island who got the opportunity to interact with – and possibly walk away with livestock as prizes.

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

The Investment team developed three agri- business plans for private investors-successful implementation of which is expected to amount to investments of approximately 290 million. Business plans developed focused on:

- High value orchard crops with agro processing capability- such as mango, coconut, banana and sea island cotton
- Crops for export- hot peppers, sweet potato, pumpkin
- Livestock- Beef and dairy cattle

Additionally, over sixty (60) business plan summaries were completed for investors submitting in house Agro-Park land lease applications.

- **Project Proposals**

The following projects were submitted to the public investment management secretariat for approval:

- Agro Investment Corporation /Jamaica Dairy Development Board establishment of 5 acres demonstration plot of Mombasa grass. The Jamaica Dairy Development Board will provide oversight to this project. An additional 10 acres of Mombasa grass was planted on June 7, 2019.
- A draft Project Proposal for the Hay Production Project in Amity Hall was submitted to Jamaica Dairy Development Board (JDDB) and a meeting was held subsequently. This project seeks to re-establish 100 acres of hay at Amity Hall. The project will be spearheaded by Agro-Investment as well as the Jamaica Dairy Development Board.
- Project Proposal for Small Ruminants Association – Kingston Farm Yaad – Dec 2018. This project is meant to highlight the value chain development activities associated with small ruminant investment.

Six concept notes were developed /updated:

1. Denbigh Agricultural Show
2. Minard Beef Festival
3. Market meets the Market by the Sea

4. Hague Agricultural Show.

- Revised the Critical Infrastructure Project Concept note /PIMSEC document for Ebony and Spring Plain Agro-Parks. The project takes into consideration further development in terms of drainage, irrigation and farm access road for the Agro-Parks.
- Developed in draft the Concept note/PIMSEC document for Holland Agro Economic Zone. GOJ intends to establish an Agro-Economic Zone in Holland, St. Elizabeth, following the handing over of the lands by J Wray & Nephew.

Three Investment Models were developed:

- Investment Model developed and promoted for Essex Valley ADP – Crop budget prepared for agricultural produce based on land capability (selected vegetables, herbs and spices, watermelon, cantaloupe, tomato, sweet pepper)
- Investment Model developed and Promoted for Southern St. Catherine and Clarendon ADP (NIC/ MICAF/RADA/SCJ Holdings) – crop budget prepared for orchard crops, roots and tubers, selected vegetables, cassava, onion, Irish potato, sweet potato, hot pepper.
- Investment Model for Small Ruminants.

One Pre-Feasibility Study was done for the AMC Complex.

Collaborated with the FAO to complete the following two reports:

- Aqua Culture Report.
- Small Ruminant Analysis / Completion of the National Small Ruminant Development Plan

CONTRACTS/ MOU SIGNED

Signed two MOUs/ Contract/Technical Assistance:

- The Jamaica Dairy Board for a grant of $3.5 Million to assist in the development of pasture at Minard Estates.
- The Jamaica Dairy Board for the development of five acres of demonstration plot with Mombasa grass.

FUNDING SOURCE IDENTIFIED AND MOBILIZED

Partnering with the World Food and Agriculture Organization to secure a grant of USD$9,654.95 to assist in The Kingston FarmYaad Show being organized by the Agro-Investment Corporation and Small Ruminant Association of Jamaica, held on December 16, 2018.

PARTICIPATION IN PROMOTIONAL EVENTS

We participated in over twelve (12) Promotional Events.

Knox Community College – Agricultural Day Exposition - April 19, 2018

- Held under the theme "Production and Purpose: Engaging our Youth". Agro-Invest's Chief Executive Officer was the guest speaker at the event which had a wide cross section of schools, agricultural industry stakeholders, cooperatives and farmers. The Corporation was also a sponsor of the event and had an educational exhibit aimed at encouraging youth interest and involvement in agriculture.

4H National Achievement Expo – April 22, 2018

- This event was held at the Denbigh Agricultural Showground in Clarendon and recognized top 4H students and members from across the island. Agro-Invest CEO represented Minister Hutchinson.

JAMPRO/Jamaica Investment Forum Montego Bay – June 10-14, 2018

- Hosted by the Prime Minister, the Agro-Investment Corporation presented one of the key addresses at Jamaica's premier international investment and business conference. The forum showcased extensive business opportunities in key investment sectors including tourism, logistics, manufacturing, outsourcing, energy and agribusiness. The forum attracted global investors and high level influencers. The session "Growing from the Ground Up" was the dedicated agribusiness session of the three day conference and Agro-Invest's presentation was covered by the Jamaica Information Service and followed with a television interview after the presentation.

JAMPRO/Agricultural Information Forum Montego Bay – July 10, 2018

• JAMPRO hosted an Agricultural Information Forum where the Agro-Investment Corporation was invited to present on Investment Opportunities in Agriculture. The investment team comprised of Investment Officers and Marketing Officer was on location to respond to investor queries which included questions on marketing opportunities, livestock agro-park development, organic agro-park development and the availability of Agro-Park lands in the western region of the island.

MARKETING CAMPAIGNS ADVERTISING MEDIA LIAISON, PUBLIC RELATION

We participated/facilitated in over twelve (12) Marketing Campaigns/Advertising/Public relation activities:

- Facilitated visit by Campion College Geography students to Amity Hall Agro-Park on October 17, 2018, as a part of the thrust to stimulate youth interest and participation in agriculture.
- Attended networking session at the Rotary Club of St Andrew North on February 18, 2019, where there was a feature presentation on Cannabis legislation by

Hyacinth Lightbourne – Chairman of the Cannabis Licensing Authority titled “Obstacles to overcome for a “Sustainable Medical Marijuana Industry in Jamaica”.

- Attended Top Events Sensitization session at Spanish Court Hotel, February 20, 2019- a project by the Tourism Enhancement Fund geared at publicizing events from all categories including food, sports entertainment, health and wellness and conferences targeted to visitors to the island.
- International women’s day was celebrated on March 22, 2019 and the Amity Hall Agro-Park female investors were featured on JIS on a special women’s day feature aired on both major local television networks (TVJ & CVM). JIS feature showcasing the ease of accessing government lands and technical assistance through the Agro-Investment Corporation.
- Ginger Value Chain Workshop, from November 18, 2018 to November 21, 2018
- The Scientific Research Council Interactive Workshop - January 30, 2019 for persons who are looking to go in business- primarily in agro-processing, persons who want to expand their businesses and persons who are currently in business.
- Compete Caribbean Regional Cluster Development Training Program - February 25th - March 1st 2019
- AIC and Spanish Grain Transplanter Demo – February 19, 2019
- Amity Hall- Basic use of pH meter and soil analysis register- February 21, 2019
- Ebony Agro Park Basic use of pH meter and soil analysis register - March 21, 2019

HUMAN RESOURCE & DEVELOPMENT

One of the goals of the Human Resource Department is to help the Corporation achieve its strategic mission and objectives by partnering with all internal and external stakeholders. The department's aim and commitment is to maintain this ongoing collaboration and teamwork with its human capital.

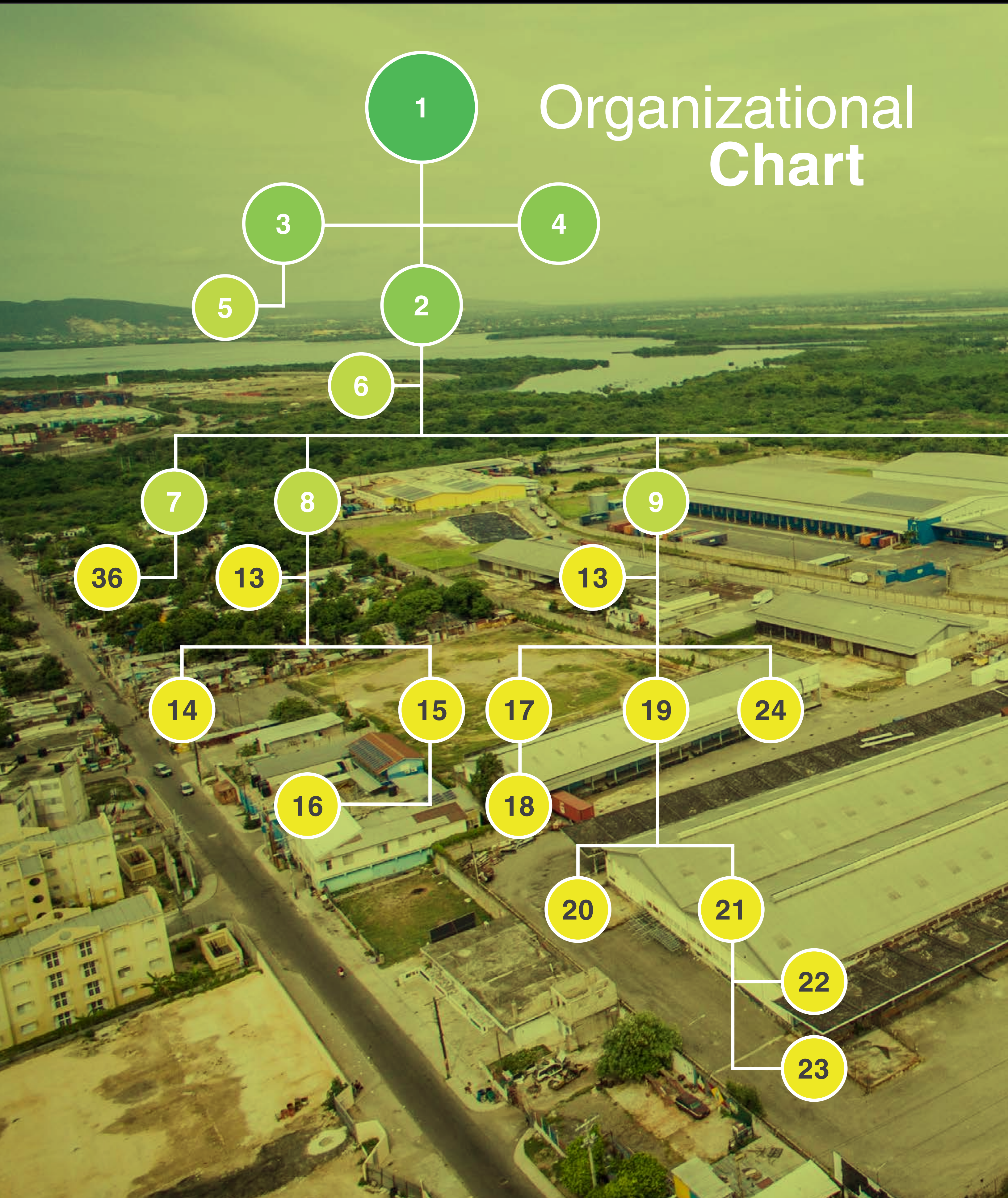
The department helps to manage a staff complement of 50 employees and is responsible for:

- Directing and facilitating the day to day human resource management activities
- Supporting the Corporation in executing strategic initiative to attract, develop and retain skilled and productive employees
- Managing the Corporation's office and related resources including telephone, transportation, reception, security, record keeping and ancillary services

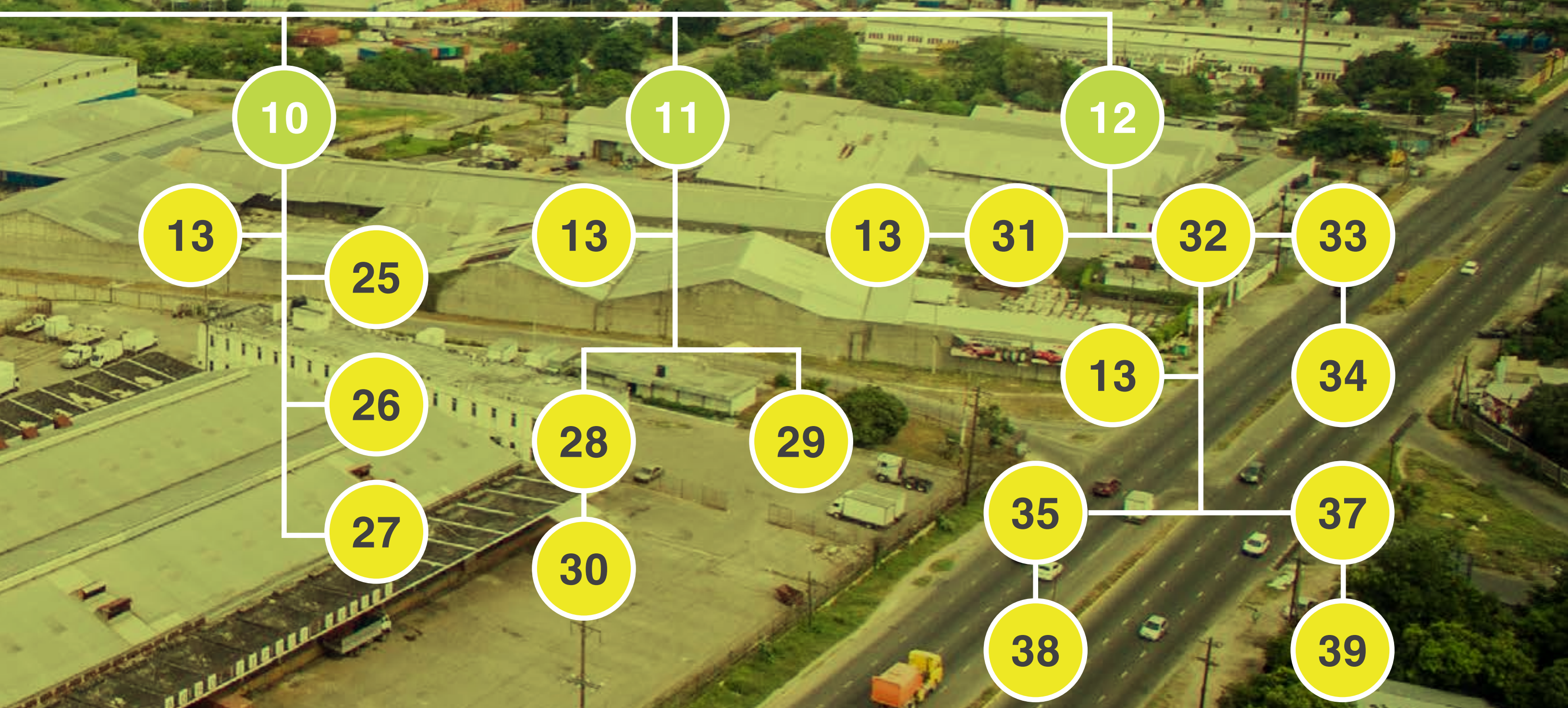
Objectives 2018-2019	2018 - 2019		Remarks
	Planned Target	Achievements	
To recruit and select suitable persons to fit the vision and mission of the Corporation.	A total of 5 new persons were targeted to be recruited based on the needs of the Corporation.	A total of 15 persons were employed to fill vacant posts	Factors such as resignations and dismissals/ terminations of contracts resulted in the increase.
To assess, identify training needs and collaborate with the necessary training institutions to provide training throughout the financial year	A total of twenty (20) persons were targeted to be trained in various areas to achieve set goals and objectives.	Approximately twenty-three (23) persons participated in external training. This includes participation in workshops/seminars/ conferences.	
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 updated a total of 10 job descriptions	
To promote work-life balance and wellness by coordinating/sensitizing employees of the various health issues, through health programs/workshops/presentations.	Approximately 6 health and wellness sessions were targeted for the period.	The HR department had coordinated 1 health and wellness session, approximately 38 employees were sensitized in the area of managing hypertension.	
To manage/co-ordinate social events/ incentive programs that will enhance synergy, improve working relationships and stability.	Approximately 6 events were targeted for the period	A total of 5 events were accomplished for the period.	
Other Achievements • Negotiated with the Corporation's Health Insurance provider which resulted in a reduction in the monthly premium • Worked closely with the MOF &PS to activate several new and established posts			


AGRO - INVEST
Agro - Investment
Corporation
Promoting and Facilitating Agri- Business Investments
JAMAICA
#INVESTEDINAGRICULTURE

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 & Developent
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 Handymen, 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



Recruitment | 2018 – 2019

A total of Fifteen (15) persons were employed to fill vacant posts.

Separations | 2018 - 2019

During the period 17 employees left the Corporation. The conditions are set out below:

6 Resignations
2 Dismissals
5 Terminations (including 1 voluntary non-renewal of contract)
1 Retirement
3 Deaths

Human Resource Management outlook | 2019/2020

During the year 2018, the Human Resource Department was able to get the approval and activation of several posts which were critical for our operations. We will continue to ensure that all vacancies are filled promptly once approved by the Chief Executive Officer and also focus on completing the training plan which is essential to employees' development. A continued partnership will be sustained with the stakeholders to implement the MyHR+ Software which will aid in the improvement of HR services and performance.

INTERNAL
AUDIT

Overview | 2018/2019

It is the mandate of the Internal Audit Department to provide independent, objective assurance and consulting services which is designed to add value and improve the Corporation's operation. This is done through a systematic approach in the assessment of risk management, internal control measures and governance processes. It is the role of the Internal Audit Department to provide oversight, insight and foresight to the Corporation.

The Internal Audit Department conducts the following types of audits:

- Operational audits – these consists of critical reviews of operating processes and procedures and internal controls that mitigate specific risks. These audits examine the use of resources to determine if they are being used in the most effective and efficient manner to fulfil AIC's mission and objectives.
- Compliance audits – these audits determine the degree to which areas within AIC adhere to Government Regulations and Guidelines.
- Financial audits – these audits review accounting and financial transactions to determine if commitments, authorizations and receipts and disbursements of funds are properly and accurately recorded and reported.
- Investigative audits – these audits are conducted to determine existing control weaknesses, assist in determining the amount of loss and recommending corrective measures to prevent reoccurrence.

FINANCE, ACCOUNTS
AND PROCUREMENT DEPARTMENT

Overview | 2018/2019

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.

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 and bank accounts, 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.

Some Achievements 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.
- The needs of a Billing/Collection/Notification System required for the Department assessed and commencement of the process.
- 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.

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 2019/2020 Budget
- Active involvement in the development of additional income streams.
- Intense focus on reduction of high outstanding 'Receivables', operational and administrative costs
- Completion of the transition for the BizPay Enterprize/ MyHR Plus Payroll software for 2019-2020.
- Enhancing the working relationship with suppliers and creditors by ensuring the timely and accurate processing of payments.
- Breakout of Budgets by Departments- insisting on Departments revising targets to match the reduced Budgets and Heads of Departments playing a critical role in the management of their Budgets.
- Recovery of withholding Taxes and GCT.
- Completion of the preparation of Standard Operating Procedures and the Accounting Manual which had commenced.
- Finalizing the development and implementation of the Billing/Notification/Collection System.
- 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
DEPARTMENT

Overview | 2018/2019

The Information Technology (IT) Department functions were introduced in response to a growing interest and need for making technology a strategic focus of the Agro-Investment Corporation. The IT Manager actively supports the network infrastructure, hardware, software, and all peripheral systems and oversees the management and coordination of all day-to-day IT operations. The main responsibilities of the unit is 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.

The unit's main focus for the year was a well needed refresh of the core IT infrastructure of the Corporation through the upgrading of on-site hardware and software applications. This move significantly enhanced our IT security, reduced IT risk, increased the speed of our operations and increased the organization's capacity to grow.

The department remains committed to providing excellent Information Technology services, infrastructure, support, and innovation in the delivery of information technology products and services to enable and empower the Corporation in achieving its strategic objective.

CONTENTS

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 40, which comprise the statement of financial position as at 31 March 2019, 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 2019, 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 (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.

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.

INDEPENDENT AUDITORS' REPORT (CONT'D)

To the Board of
Agro-Investment Corporation

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.

- 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.

INDEPENDENT AUDITORS' REPORT (CONT'D)

To the Board of
Agro-Investment Corporation

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.

Chartered Accountants

26 July 2019

Statement of Comprehensive Income
31 March 2019

	Note	2019 $	2018 $
SUBVENTION	6	283,433,152	236,120,471
Other income	7	23,665,131	22,583,898
		307,098,283	258,704,369
EXPENDITURE:			
Operating expenses - Minard Farms		54,074,414	14,898,716
Agricultural projects development costs		83,473,333	25,313,481
Administrative expenses		160,774,844	217,572,028
		298,322,591	257,784,225
SURPLUS		8,775,692	920,144
Transfer from capital reserve and capital grant an amount equivalent to depreciation charge on capital assets		2,008,041	2,176,864
NET SURPLUS		10,783,733	3,097,008
OTHER COMPREHENSIVE INCOME:			
Item that will or may be reclassified to surplus or deficit:			
Unrealised gain on available-for-sale investment		-	397,897
Item that will not be reclassified to surplus or deficit:			
Unrealised gain on fair value through other comprehensive income equity investments		1,638,553	-
Re-measurement of defined benefit pension plan		(759,000)	2,745,000
		879,553	3,142,897
TOTAL COMPREHENSIVE INCOME		11,663,286	6,239,905

Statement of Financial Position

31 March 2019

	Note	2019 $	2018 $
ASSETS			
NON-CURRENT ASSETS:			
Property, plant and equipment	10	324,158,578	320,414,051
Investments	11	4,121,168	2,482,616
Biological assets	12	43,596,750	47,586,766
Post-employment benefit assets	13	6,612,000	6,518,000
		378,488,496	377,001,433
CURRENT ASSETS:			
Receivables	14	2,834,081	2,568,914
Taxation recoverable		372,705	372,648
Cash and cash equivalent	15	50,182,833	51,772,859
		53,389,619	54,714,421
		431,878,115	431,715,854
RESERVES AND LIABILITIES			
RESERVES:			
Capital reserve	16	302,517,450	303,201,627
Fair value reserve	17	4,036,714	2,398,161
Accumulated surplus		68,209,084	58,184,351
		374,763,248	363,784,139
NON-CURRENT LIABILITIES:			
Capital grants	18	3,896,820	5,220,684
Long term loan	19	1,403,512	3,800,089
		5,300,332	9,020,773
CURRENT LIABILITIES:			
Payables	20	49,698,939	57,106,985
Current portion of long term loan	19	2,115,596	1,803,957
		51,814,535	58,910,942
		431,878,115	431,715,854

Approved for issue by the Board of Directors on 26 July 2019 and signed on its behalf by:

Vitus Evans - Chairman

Gary Coulton - Deputy Chairman

Statement of Changes in Reserves

31 March 2019

	Accumulated surplus $	Fair Value Reserve $	Capital Reserve $	Total $
BALANCE AT 1 APRIL 2017	52,342,343	2,000,264	304,054,627	358,397,234
Surplus for the year	3,097,008	-	-	3,097,008
Other comprehensive income	2,745,000	397,897	-	3,142,897
Total Comprehensive Income	5,842,008	397,897	-	6,239,905
Transfer to income from capital reserve	-	-	(853,000)	(853,000)
	5,842,008	397,897	(853,000)	5,386,905
BALANCE AT 31 MARCH 2018	58,184,351	2,398,161	303,201,627	363,784,139
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	-	-	(684,177)	(684,177)
	10,024,733	1,638,553	(684,177)	10,979,109
BALANCE AT 31 MARCH 2019	68,209,084	4,036,714	302,517,450	374,763,248

Statement of Cash Flows
31 March 2019

	2019 $	2018 $
CASH FLOWS FROM OPERATING ACTIVITIES:		
Surplus for the year	10,783,733	3,097,008
Items not affecting cash resources:		
Depreciation	10,978,562	6,268,874
Decrease/(increase) in fair value of biological asset	3,990,016	(4,552,703)
Transfer to income from donated assets	(684,177)	(853,000)
Transfer from capital grant	(1,323,864)	(1,323,864)
Interest income	(58,771)	(38,847)
Exchange loss/(gain) on foreign balances	12,221	(7,493)
	23,697,720	2,589,975
Changes in operating assets and liabilities:		
Receivables	(265,167)	14,131,695
Taxation recoverable	(57)	(70)
Related party	-	61,146,438
Post-employment benefits assets	(853,000)	2,105,000
Payables	(7,408,045)	(16,272,033)
Cash provided by operating activities	15,171,451	63,701,005
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of property, plant and equipment	(14,723,089)	(20,582,942)
Interest received	58,771	38,847
Cash used in investing activities	(14,664,318)	(20,544,095)
CASH FLOWS FROM FINANCING ACTIVITY:		
Loan repayments	(2,084,938)	(1,947,022)
Cash used in financing activity	(2,084,938)	(1,947,022)
	(1,577,805)	41,209,888
Exchange (loss)/gain on foreign cash balances	(12,221)	7,493
Net (decrease)/increase in cash and cash equivalents	(1,590,026)	41,217,381
Cash and cash equivalents at beginning of year	51,772,859	10,555,478
CASH AND CASH EQUIVALENTS AT END OF YEAR (Note 15)	50,182,833	51,772,859

Notes to the Financial Statements
31 March 2019

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 June 1, 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 June 2, 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, unless otherwise stated.

(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 IFRSs). 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, amendments and clarifications and has put into effect the following, which are immediately relevant to its operations.

IFRS 9, 'Financial Instruments' (effective for accounting periods beginning on or after 1 January 2018). The standard addresses the classification, measurement and recognition of financial assets and financial liabilities. It replaces the existing guidance in *IAS 39 Financial Instruments: Recognition and Measurement*. IFRS 9 includes revised guidance on the classification and measurement of financial assets and liabilities, including a new expected credit loss model for calculating impairment of financial assets and the new general hedge accounting requirements. It also carries forward the guidance on recognition and derecognition of financial instruments from IAS 39. Although the permissible measurement bases for financial assets – amortised cost, fair value through other comprehensive income (FVOCI) and fair value though profit or loss (FVTPL) - are similar to IAS 39, the criteria for classification into the appropriate measurement category are significantly different. IFRS 9 replaces the 'incurred loss' model in IAS 39 with an 'expected credit loss' model, which means that a loss event will no longer need to occur before an impairment allowance is recognised. The adoption of IFRS 9 resulted in changes in the accounting policies and disclosures arising from the adoption of consequential amendments to IFRS 7 Financial Instruments: Disclosures. Management has utilized the modified retrospective transition approach and has elected not to restate comparative information in accordance with the transitional provision. As a result, the comparative information provided continues to be accounted for in accordance with the Corporation's previous accounting policy. Based on revised classification conditions, there is no change in the classification of financial assets. No allowance for impairment over financial assets was recognized in opening retained earnings at 1 April 2018 because the resulting change in impairment was not material. Additional disclosures in accordance with the standard have been included in Note 3 (d).

IFRS 15, 'Revenue from Contracts with Customers' (effective for accounting periods beginning on or after 1 January 2018). The standard deals with revenue recognition and establishes principles for reporting useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flows arising from an entity's contracts with customers. Revenue is recognised when a customer obtains control of a good or service and thus has the ability to direct the use and obtain the benefits from the good or service. The standard replaces IAS 18 'Revenue' and IAS 11 'Construction contracts' and related interpretations. The adoption of IFRS 15 from 1 April 2018 did not have any impact on the financial statements.

Notes to the Financial Statements

31 March 2019

3. **SIGNIFICANT ACCOUNTING POLICIES (CONT'D):**

(a) **Basis of preparation (cont'd)**

New standards, amendments and interpretation not yet effective

There are a number of standards, amendments to standards and interpretations which have been issued by the IASB that are effective in future accounting periods that the Corporation has decided not to adopt early. The most significant of these are:

IFRS 16, 'Leases', (effective for accounting periods beginning on or after 1 January 2019). The standard primarily addresses the accounting for leases by lessees. The complete version of IFRS 16 was issued in January 2018. The standard will result in almost all leases being recognised on the statement of financial position, as it removes the current distinction between operating and finance leases and requires recognition of an asset (the right to use the leased item) and a financial liability to pay rentals for virtually all lease contracts. An optional exemption exists for short term and low-value leases. The accounting by lessors will not significantly change. IFRS 16 also requires lessees and lessors to make more extensive disclosures than under IAS 17. Early application is permitted, but not before an entity applies IFRS 15. A lessee can choose to apply the standard using either a full retrospective or a modified retrospective approach. The standard's transition provisions permit certain reliefs. Management has not yet completed the assessment of the impact of the application of the standard on the Corporation's financial statements when adopted.

Annual improvements (2015 – 2018) (effective for annual periods beginning on or after 1 January 2019). IAS 23 borrowing cost eligible for capitalization. The amendments clarify that if any specific borrowings remains outstanding after the related asset is ready for its intended use or sale, that borrowing becomes part of the funds that an entity borrows generally when calculating the capitalization rate on general borrowings. The Corporation does not expect the annual improvements to have a significant impact on the financial statements when adopted.

Amendment to IAS 1 Presentation of Financial Statements and IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors, (effective for annual periods beginning on or after January 1, 2020). These standards are conceptual amendments to other IFRSs and provides the following definition of 'material' to guide preparers of financial statements in making judgements about information to be included in financial statements: "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 Corporation does not expect the amendment to have a significant impact on its 2021 financial statements

3. **SIGNIFICANT ACCOUNTING POLICIES (CONT'D):**

(a) **Basis of preparation (cont'd)**

New standards, amendments and interpretation not yet effective (cont'd)

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

(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, irritation 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%

Notes to the Financial Statements
31 March 2019

3. **SIGNIFICANT ACCOUNTING POLICIES (CONT'D):**

(c) **Property, plant and equipment (cont'd)**

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.

(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

Policy applicable from 1 April 2018

(i) **Classification**

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)

(ii) **Recognition**

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).

3. **SIGNIFICANT ACCOUNTING POLICIES (CONT'D):**

(d) **Financial instrument (cont'd)**

Finance asset (cont'd)

Policy applicable from 1 April 2018 (cont'd)

(iii) **Measurement**

The accounting policy for the categories of amortised cost and fair value through other comprehensive income is as follows:

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 2019

3. **SIGNIFICANT ACCOUNTING POLICIES (CONT'D):**

(d) **Financial instrument (cont'd)**

Finance asset (cont'd)

Policy applicable from 1 April 2018 (cont'd)

(iii) **Measurement (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.

(iv) **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.

(v) **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.

3. **SIGNIFICANT ACCOUNTING POLICIES (CONT'D):**

(d) **Financial instrument (cont'd)**

Finance asset (cont'd)

Policy applicable from 1 April 2018 (cont'd)

(v) **Derecognition (cont'd)**

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

Policy applicable up to 31 March 2018

(i) **Classification**

The Corporation classifies its financial assets in the following categories: loans and receivables and available-for-sale. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition and re-evaluates this designation at every reporting date.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise principally through the provision of goods and services to customers (e.g. trade receivables) but also incorporate other types of contractual monetary asset.

The Corporation's loans and receivables comprise accounts receivable, cash and cash equivalents. They are included in current assets.

Cash and cash equivalents are carried in the statement of financial position at cost. For the purposes of the cash flow statement, cash and cash equivalents comprise cash at bank and in hand and short term deposits with original maturity of three months or less, and bank overdraft.

Notes to the Financial Statements
31 March 2019

3. **SIGNIFICANT ACCOUNTING POLICIES (CONT'D):**

(d) **Financial instrument (cont'd)**

Finance asset (cont'd)

Policy applicable up to 31 March 2018 (cont'd)

(i) **Classification (cont'd)**

Available-for-sale financial assets

Available-for-sale financial assets are non-derivative financial assets that are either designated in this category or not classified in any of the other categories. They are included in non-current assets unless management intends to dispose of the financial asset within 12 months of the reporting date. Investments intended to be held for an indefinite period of time, which may be sold in response to needs for liquidity or changes in interest rates, are classified as available-for-sale.

(ii) **Recognition and Measurement**

Regular purchases and sales of financial assets are recognized on the trade-date – the date on which the Corporation commits to purchase or sell the asset. Financial assets are initially recognized at fair value plus transaction costs for all financial assets not carried at fair value through surplus or deficit. Financial assets are derecognized when the rights to receive cash flows from the financial assets have expired or have been transferred and the Corporation has transferred substantially all risks and rewards of ownership.

Available-for-sale financial assets are subsequently carried at fair value, with fair value gains or deficits being recorded in other comprehensive income. Loans and receivables are subsequently carried at amortised cost using the effective interest method.

When securities classified as available-for-sale are sold or impaired, the accumulated fair value adjustments previously recognized as other comprehensive income are recycled to surplus or deficit.

Dividends on available-for-sale equity instruments are recognized in surplus or deficit as part of other income when the Corporation's right to receive payments is established.

3. **SIGNIFICANT ACCOUNTING POLICIES (CONT'D):**

(d) **Financial instrument (cont'd)**

Finance asset (cont'd)

Policy applicable up to 31 March 2018 (cont'd)

(ii) **Recognition and Measurement (cont'd)**

For loans and receivables impairment, provisions are recognized when there is objective evidence that the Corporation will not collect all of the amounts due under the terms receivable. The amount of the provision is the difference between the net carrying amount and the present value of the future expected cash flows associated with the impaired receivable. For trade receivables which are reported net, such provisions are recorded in a separate allowance account with the loss being recognized in surplus or deficit. On confirmation that the trade receivable is uncollectible, it is written off against the associated allowance. Subsequent recoveries of amounts previously written off are credited to surplus or deficit.

In the case of equity securities classified as available for sale, a significant or prolonged decline in the fair value of the security below its cost is considered as an indicator that the securities are impaired. If any such evidence exists, the cumulative loss – measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognized in surplus or deficit – is removed from other comprehensive income and recognized in surplus or deficit. Impairment losses recognized in profit or loss on equity instruments are not reversed through surplus or deficit.

Financial liabilities

In both the current and prior period, 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 accounts payable.

(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.

3. **SIGNIFICANT ACCOUNTING POLICIES (CONT'D):**

(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. For the purpose of assessing impairment, assets are grouped at the lowest level for which there are separately identified cash flows. 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.

(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.

3. **SIGNIFICANT ACCOUNTING POLICIES (CONT'D):**

(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.

Notes to the Financial Statements

31 March 2019

3. **SIGNIFICANT ACCOUNTING POLICIES (CONT'D):**

(k) **Government subventions**

Government subventions to support the Corporation's operating budget are recognized as income in the accounting period when there is reasonable assurance that they 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.

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

(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).

Notes to the Financial Statements
31 March 2019

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.

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

Notes to the Financial Statements

31 March 2019

5. **FINANCIAL RISK MANAGEMENT (CONT'D):**

(b) **Financial instruments by category**

Financial assets

	Amortised Cost 2019 $	Loans and Receivables 2018 $	FVOCI 2019 $	Available for-sale 2018 $
Receivables	1,058,993	1,959,665	-	-
Cash and cash equivalent	50,182,833	51,772,859	-	-
Investments (equity)	-	-	4,121,168	2,482,616
Total financial assets	51,241,826	53,732,524	4,121,168	2,482,616

Financial liabilities

	Financial liabilities at amortised cost 2019 $	2018 $
Payables	5,777,285	31,667,473
Long term loan	3,519,108	5,604,046
Total financial liabilities	9,296,393	37,271,519

(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 2019 $	2018 $
Financial asset		
Investments (equity)	4,121,168	2,482,616
Total financial asset	4,121,168	2,482,616

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

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 $433,716 (2018 - $445,726).

5. **FINANCIAL RISK MANAGEMENT (CONT'D):**

(e) **Financial risk factors (cont'd)**

(i) **Market risk (cont'd)**

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 4% (2018 – 4%) depreciation and a 2% (2018 – 2%) appreciation of the Jamaican dollar against the US dollar. The changes below would have no impact on other components of equity.

	% Change in Currency Rate 2019	Effect on Surplus 2019 $	% Change in Currency Rate 2018	Effect on Deficit 2018 $
Currency:				
USD	-4	17,349	-4	(17,829)
USD	+2	(8,675)	+2	8,915

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 it 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.

5. **FINANCIAL RISK MANAGEMENT (CONT'D):**

(e) **Financial risk factors (cont'd)**

(i) **Market risk (cont'd)**

Interest rate risk (cont'd)

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.

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.

Notes to the Financial Statements

31 March 2019

5. **FINANCIAL RISK MANAGEMENT (CONT'D):**

(e) **Financial risk factors (cont'd)**

(ii) **Credit risk (cont'd)**

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.

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.

At 31 March 2019, the lifetime expected loss allowance for accounts receivables is as follows:

	Current $	More than 30 Days Past due $	More than 60 Days Past due $	More than 90 Days Past due $	Total $
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	1,927,542	587,720	307,820	6,000,520	8,823,602

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:

	2019 $	2018 $
At 1 April	12,209,949	-
Provision for receivables impairment	-	12,209,949
Bad debt recovered previously provided for	(3,386,347)	-
At 31 March	8,823,602	12,209,949

The creation and release of provision for impaired receivables have been included in expenses in surplus or deficit. Amounts charged to the allowance account are generally written off when there is no expectation of recovering additional cash.

(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.

Notes to the Financial Statements
31 March 2019

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:

	Within 1 Year $	1 to 2 Years $	2 to 5 Years $	Total $
31 March 2019				
Accounts payable	5,777,285	-	-	5,777,285
Long term loan	2,537,294	1,902,971	-	4,440,265
Total financial liabilities (contractual maturity dates)	8,314,579	1,902,971	-	10,217,550

	Within 1 Year $	1 to 2 Years $	2 to 5 Years $	Total $
31 March 2018				
Accounts payable	31,667,473	-	-	31,667,473
Long term loan	2,364,362	2,183,966	2,195,745	6,744,073
Total financial liabilities (contractual maturity dates)	34,031,835	2,183,966	2,195,745	38,411,546

(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.

7. **OTHER INCOME:**

	2019 $	2018 $
Sales of cattle	12,064,446	8,137,800
Lease rental	8,576,249	12,583,573
Interest and dividend income	58,771	38,847
Foreign exchange gain	62,032	21,249
Other	2,903,633	1,802,429
	23,665,131	22,583,898

8. **EXPENSES BY NATURE:**

Total operating, administrative and other expenses

	2019 $	2018 $
Staff costs (note 22)	166,000,862	117,146,789
Motor vehicle allowance	11,560,369	10,792,760
Repairs and maintenance	8,724,353	9,599,037
Travelling and subsistence	5,252,225	1,158,789
Depreciation	10,978,562	6,268,874
Professional fees	1,353,772	2,444,498
Audit fees-current	950,000	900,000
-prior year under/(over) accrual	45,000	(139,203)
Utilities	4,955,738	3,932,742
Agro parks other expense	16,874,713	3,543,113
Property tax	-	405,776
Increase in provision for bad debt including related party balance	12,957,297	89,352,982
Decrease/(Increase) in fair value of biological asset	3,990,016	(4,552,703)
Meeting seminars/training	4,056,161	4,649,583
Rates and taxes	338,804	7,675,755
General insurance	6,136,075	3,545,699
Other	44,148,644	1,059,734
	298,322,591	257,784,225

9. **TAXATION:**

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

Notes to the Financial Statements
31 March 2019

10. **PROPERTY, PLANT AND EQUIPMENT:**

	Freehold Land & Buildings $	Leasehold Land & Buildings $	Agro Park Equipment $	Furniture & Equipment $	Office Equipment Machinery & Furniture Fixtures $	WIP $	Machinery Motor Vehicles $	Total $
At cost-								
1 April 2017	220,504,258	73,080,668	10,516,140	22,281,760	6,714,880	-	9,823,500	342,921,206
Additions	-	-	-	7,043,622	5,747,801	-	7,791,519	20,582,942
31 March 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
Depreciation -								
1 April 2017	854,512	5,992,790	3,971,592	16,094,776	3,382,688	-	6,524,865	36,821,223
Charge for year	48,622	344,584	1,323,862	1,259,692	1,359,255	-	1,932,859	6,268,874
31 March 2018	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
Net Book Value -								
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
31 March 2018	219,601,124	66,743,294	5,220,686	11,970,914	7,720,738	-	9,157,295	320,414,051

11. **INVESTMENTS:**

	2019 $	2018 $
Quoted equities – Fair value through other comprehensive income (2018: Available for sale at fair value)		
Jamaica Broilers Group Limited – 130,458 ordinary shares (cost - $69,300)	4,121,168	2,482,616

12. **BIOLOGICAL ASSETS:**

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

	2019 $	2018 $
Balance at start of year	47,586,766	43,034,063
(Decrease)/Increase in fair value of assets	(3,990,016)	4,552,703
Balance at end of year	43,596,750	47,586,766

The following represents the number of animals on hand at year end –

	2019 $	2018 $
Cattle reared for sale and reproduction	468	568
Horses held for reproduction	7	10
	475	578

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.

Notes to the Financial Statements
31 March 2019

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

The latest actuarial valuation which was carried out as at 31 March 2019 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 morality 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:

	2019 $	2018 $
Fair value of plan assets	46,890,000	44,436,000
Present value of obligation	(40,278,000)	(37,918,000)
Asset recognized in the statement of financial position	6,612,000	6,518,000

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

	2019 $	2018 $
Balance at beginning of year	44,436,000	34,766,000
Contribution by the employer and plan participants	2,773,000	2,208,000
Calculated return on plan assets	5,040,000	5,806,000
Benefits paid and administrative expenses	(5,814,000)	(3,531,000)
Re-measurement of plan assets	(6,530,000)	3,977,000
Changes in effect of asset ceiling	6,985,000	1,210,000
Balance at end of year	46,890,000	44,436,000

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:

	2019 $	2018 $
Balance at beginning of year	37,918,000	28,888,000
Current service Cost	2,258,000	1,735,000
Past service cost	-	3,026,000
Settlement	-	(3,026,000)
Interest cost	2,679,000	2,775,000
Benefits paid on admin expenses	(5,613,000)	(345,000)
Re-measurement on defined benefit obligation	3,036,000	4,865,000
Balance at the end of the year	40,278,000	37,918,000

Expected contributions to the plan for the year ended 31 March 2020 based on expected contribution of 10.0% amounts to $0.79 Million.

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

	2019 $	2018 $
Current service cost	1,033,000	746,000
Past service cost	-	3,025,000
Interest cost	(338,000)	(448,000)
Total included in staff cost (note 22)	695,000	3,323,000

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

	2019 $	2018 $
Re-measurement of the defined benefit obligation	3,036,000	4,865,000
Re-measurement on plan assets	6,530,000	(3,977,000)
Change in effect of Asset Ceiling	(8,807,000)	(3,633,000)
Components of defined benefit cost/(income) recognised in other comprehensive income	759,000	(2,745,000)

Notes to the Financial Statements
31 March 2019

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

(f) 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.

	2019 %	Market Value of Assets $	2018 %	Market Value of Assets $
Fixed income securities	10.40	6,700,000	10.60	7,290,000
Money market	6.31	4,060,000	5.27	3,620,000
Foreign currency	10.90	7,020,000	9.56	6,570,000
Other assets	72.39	46,630,000	74.57	51,250,000
Adjustment	-	(210,000)	-	-
	100.00	64,200,000	100.00	68,730,000

(g) 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:

	2019 $'000	2018 $'000	2017 $'000	2016 $'000	2015 $'000
Fair value of plan assets	64,196	68,726	60,266	55,807	56,664
Defined benefits obligation	(40,279)	(37,918)	(28,888)	(26,120)	(31,202)
Surplus	23,917	30,808	31,378	29,687	25,462
Experience adjustments:					
Fair value of plan assets	(6,530)	3,977	(960)	9,560	(1,917)
Defined benefit obligation	714	(412)	(436)	-	-

(h) The principal actuarial assumptions used were as follows:

	2019	2018
Discount rate	7.00%	7.50%
Inflation rate	5.00%	4.50%
Interest on refunds	7.00%	7.50%
Future salary increases	5.00%	4.50%
Future pension increases	Valuation assumes no future pension increases	

The actual return on plan assets was ($1,490,000).

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

(i) 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 $0.52 Million (2018: $0.45 Million).

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

	Changes in Assumptions	Impact on post-employment obligations: Increase in Assumption 2019 $'000	Increase in Assumption 2018 $'000	Decrease in Assumption 2019 $'000	Decrease in Assumption 2018 $'000
Discount rate	1%	(4,049)	(3,148)	4,951	3,824
Salary growth rate	1%	534	404	(443)	(333)

(k) Liability duration

The active liability duration for members was 11.5 years (2018: 10.5).

14. **RECEIVABLES:**

	2019 $	2018 $
Accounts receivable	9,882,595	14,169,614
Less impairment losses	(8,823,602)	(12,209,949)
	1,058,993	1,959,665
Other	1,775,088	609,249
	2,834,081	2,568,914

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:

	2019 $	2018 $
Cash in hand and at bank	50,118,212	51,708,238
Short-term deposits	64,621	64,621
	50,182,833	51,772,859

Notes to the Financial Statements

31 March 2019

16. **CAPITAL RESERVE:**

	2019 $	2018 $
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	1,454,147	1,454,147
Donated assets	-	684,177
	302,517,450	303,201,627

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.

Donated assets represent assets owned by the Corporation that is funded by external donors with no loan condition attached.

17. **FAIR VALUE RESERVE:**

This represents unrealized gain on the revaluation of investments classified as fair value through other comprehensive income (2018: Available-for-sale).

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.

19. **LONG TERM LOAN:**

	2019 $	2018 $
Development Bank of Jamaica	3,519,108	5,604,046
Less - current portion	(2,115,596)	(1,803,957)
	1,403,512	3,800,089

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:**

	2019 $	2018 $
Accounts payable	5,777,285	31,667,473
Gratuity payable	21,130,026	10,111,367
Property taxes	9,323,000	9,323,000
Vacation leave	5,286,924	3,509,257
Others	8,181,704	2,495,888
	49,698,939	57,106,985

21. **RELATED PARTY TRANSACTIONS AND BALANCES:**

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

	2019 $	2018 $
Directors' fees	494,235	1,439,587
Year-end balance -		
Due from -		
Agricultural Marketing Corporation	93,146,677	77,143,032
Less: Provision for doubtful debt	(93,146,677)	(77,143,032)
	-	-

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.

Notes to the Financial Statements
31 March 2019

22. **STAFF COSTS:**

	2019 $	2018 $
Salaries, wages and allowances	155,387,375	109,823,508
Pension (note 13)	695,000	3,323,000
Staff welfare and benefits	9,918,487	4,000,281
	166,000,862	117,146,789

The Corporation employed 50 persons at the end of the year (2018: 51).

Detailed Statement of Surplus or Deficit
31 March 2019

	2019 $	2018 $
SUBVENTION	283,433,152	236,120,471
Other income	23,665,131	22,583,898
	307,098,283	258,704,369
EXPENDITURE:		
Operating expense - Minard Farms (page 42)	54,074,414	14,898,716
Agricultural projects development cost (page 42)	83,473,333	25,313,481
Administrative expenses (page 43)	160,774,844	217,572,028
	298,322,591	257,784,225
SURPLUS	8,775,692	920,144
Transfer from capital reserve and capital grant an amount equivalent to depreciation charge on capital assets	2,008,041	2,176,864
NET SURPLUS	10,783,733	3,097,008

Operating Expenses

31 March 2019

	2019 $	2018 $
OPERATING EXPENSES MINARD FARMS:		
Salaries, allowances and statutory contributions	14,600,588	13,173,071
Staff welfare and canteen	1,294,192	493,892
Decrease/(increase) in fair value of biological assets	3,990,016	(4,552,703)
Cattle feed	26,216,352	1,275,122
Medicine and drugs	1,053,989	125,875
Barb wire and staples	360,560	17,672
Miscellaneous, hay, twine etc.	135,856	189,314
Repairs and maintenance – tractor/truck	676,939	64,595
Repairs and maintenance – pasture, fences, walls	44,481	-
Repairs and maintenance – machinery and equipment	61,378	410,326
Repairs and maintenance – other	2,149,167	2,313,582
Fuel and lubricants	958,549	379,289
Agricultural show	287,175	173,606
Office and general	242,702	413,148
Utilities	324,646	96,432
Travelling	466,207	52,995
Rental/transportation charges	200,000	272,500
Professional fees	520,890	-
Accommodation	490,727	-
	54,074,414	14,898,716

	2019 $	2018 $
AGRICULTURAL PROJECT DEVELOPMENT COSTS:		
Salaries, allowances and statutory contributions	58,819,167	20,795,555
Travelling and subsistence	5,983,912	902,491
Agro parks other expenses	18,151,410	3,543,113
Utilities	518,844	72,322
	83,473,333	25,313,481

Administrative Expenses
31 March 2019

	2019 $	2018 $
Salaries, allowances and statutory contributions	81,656,960	72,487,651
Directors' fees	494,235	1,439,587
Travelling and subsistence	1,671,962	2,276,988
Staff welfare and canteen	3,093,474	2,683,343
Pension	695,000	3,324,000
Motor vehicle allowance	11,560,369	10,792,760
Repairs and maintenance – motor vehicles	2,411,343	3,671,706
Repairs and maintenance – equipment	881,562	1,438,260
Legal and professional fees	1,353,772	2,444,498
Audit fees-current	950,000	900,000
-prior year under/(over) accrual	45,000	(139,203)
Utilities	4,545,415	3,667,988
Office and general	3,858,544	957,249
Subscription and donations	1,524,261	379,829
General insurance	7,873,349	5,223,879
Rates and taxes	338,804	7,675,755
Security	108,805	70,111
Miscellaneous	277,977	170,469
Computer supplies	3,141,250	2,366,109
Advertising and promotion	511,516	1,517,212
Meetings, seminars and training	2,781,403	3,273,312
Printing and stationery	1,409,963	912,709
Finance charges	454,457	320,435
Accommodation	4,111,756	1,795,082
Rental/transportation charges	1,087,807	978,719
Write off of accounts payable balance	-	(9,084,051)
(Decrease)/increase in provision for		
bad debt – accounts receivable	(3,386,347)	12,209,949
- related party balance	16,343,645	77,143,032
Property tax	-	405,776
Depreciation	10,978,562	6,268,874
	160,774,844	217,572,028

AUDITED FINANCIALS
OVERVIEW & ANALYTICAL DISCUSSION

The year in review, April 01, 2018 to March 31, 2019, 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 preparation 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.

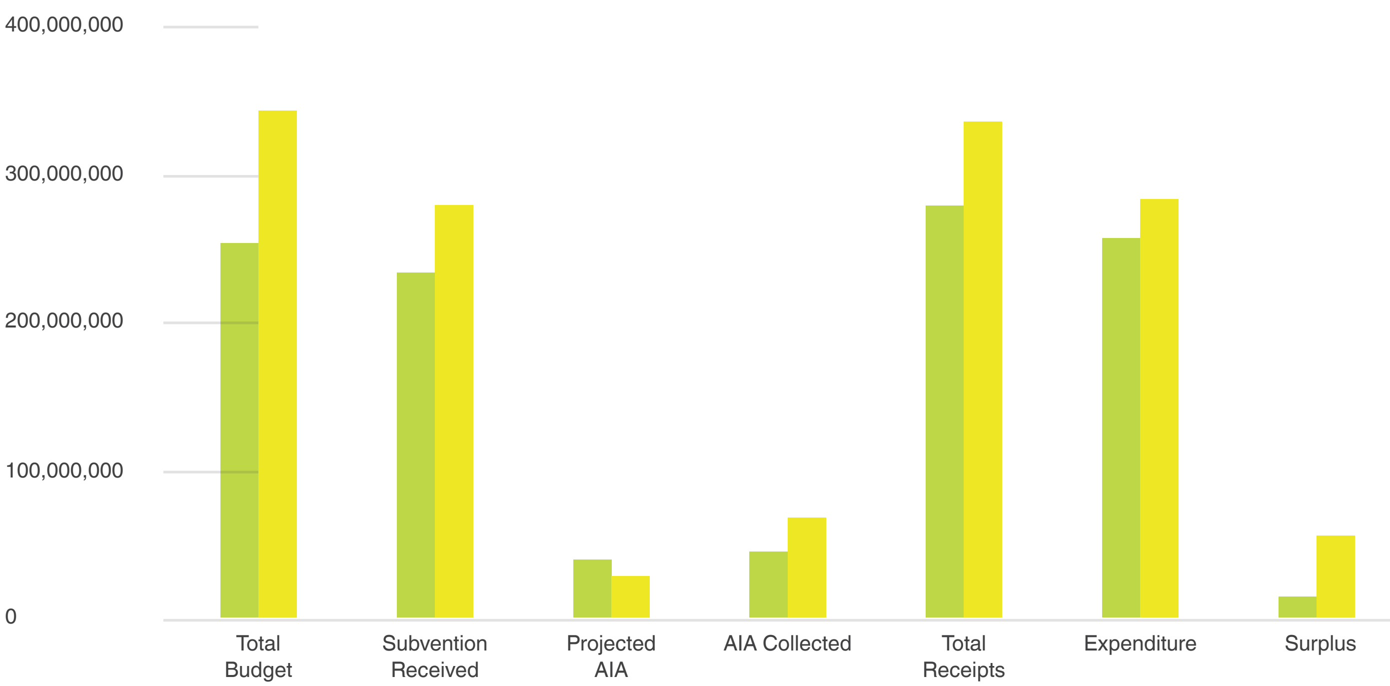
The International Financial Reporting Standards (IFRS) which will be implemented in the future include the more important ones are as follows:

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.

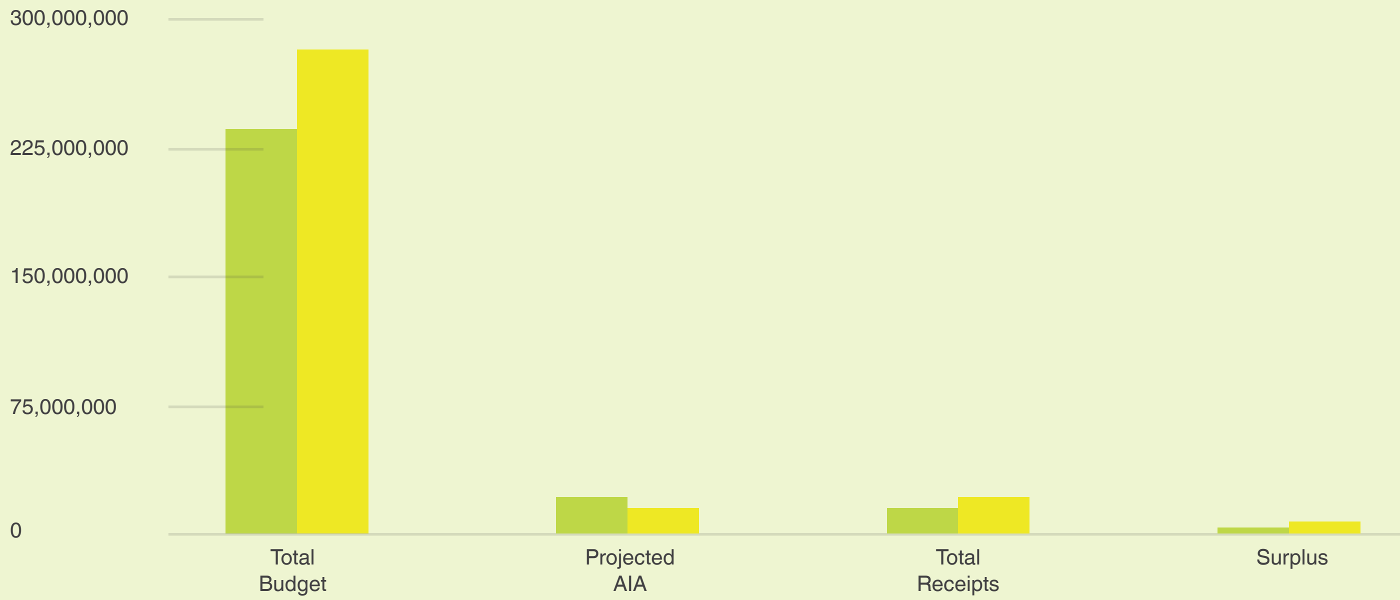
The discussion and analysis which follows aim to provide additional information to expand the objectives of the financial statements. Explanations are provided for the significant changes and trends of Agro Investment's financial position and performance that are represented in various components of 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.

Comparison of Financial Statements for 2018/19 with those of 2017/18 I ($)



Revenues 2018/2019-Compared to those of 2017/2018



2017/2018 & 2018/2019

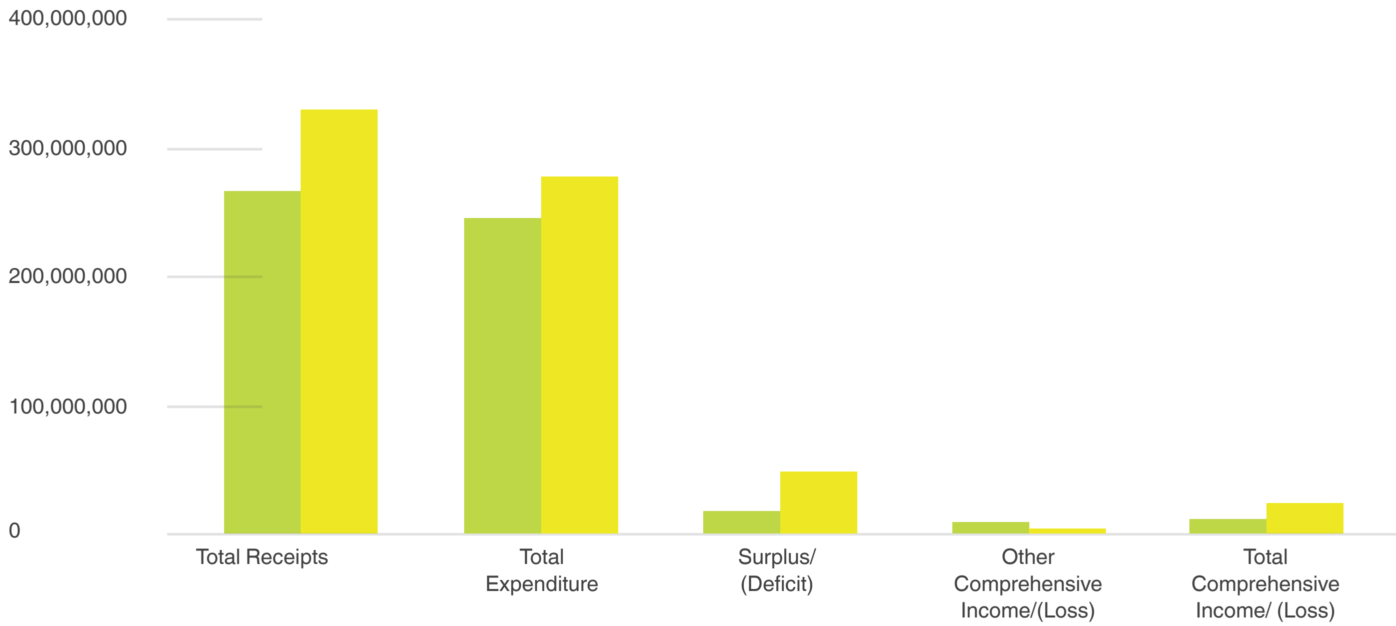
Agro Investment Corporation | Highlights of the revenue and expenditure

LINE ITEM	FINANCIAL YEAR ENDED MARCH 31, 2019 $	FINANCIAL YEAR ENDED MARCH 31, 2018 $	Variance $	%age Variance $
REVENUE	23,665,131	22,583,898	1,081,233	4.79
GOVERNMENT SUBVENTION	283,433,152	236,120,471	47,312,681	20.04
SUB-TOTAL-TOTAL RECEIPTS	**307,098,283**	**258,704,369**	**48,393,914**	**18.71**
OPERATING EXPENSES	54,074,414	14,898,716	39,175,698	262.95
EXPENSES FOR AGRO PARKS	83,473,333	25,313,481	58,159,852	229.76
ADMINISTRATIVE EXPENSES	160,774,844	217,572,028	(56,797,184)	(26.12)
SUB-TOTAL-TOTAL EXPENDITURE	**298,322,591**	**257,784,225**	**(40,538,366)**	**15.73**
SURPLUS/(DEFICIT)	**8,775,692**	**920,144**	**7,855,548**	**853.73**
Total other adjustments	2,008,641	2,176,864	(168,823)	(7.76)
NET SURPLUS/(DEFICIT)	**10,783,733**	**3,097,008**	**7,686,725**	**247.23**
Other Comprehensive Income/(Loss)	**879,553**	**3,142,897**	**(2,263,344)**	**(72.01)**
Total Comprehensive Income/ (Loss)	**11,663,286**	**6,239,905**	**5,423,381**	**86.91**

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 2018/2019 compared to the results reported in the previous financial year, 2017/2018.

Comparison of Statements of Comprehensive Income for 2018/2019 and 2017/2018



Revenues

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, 2019 accounted for only 7.71% of total receipts. This represented an increase of approximately 4.79% over 2017-2018. In terms of dollar amount, revenue generated increased by $1,081,233 from $22,583,898 in the previous year to $23,665,131 during the financial year ended March 31, 2019. This significant increase was primarily as a result of an increase in cattle sale during the year. The decision which was made two (2) years prior to cull as many of the non-performing breeding stock as possible in order to maintain only robust stocks, impacted cattle sale greatly during the year under review.

'Other Income' of $23,665,131 is presented separately after 'Revenue' in the audited Financial Statements, but is included in the Total Revenue shown in Table I above. 'Other income' comprises mainly of the income from land leases and contracts payables which were 'written back'. Income from lease rental shown in the financial statements decreased by $4,007,324 or 31.85% moving from $12,583,573 2017/2018 to $8,576,249 in 2018/2019.

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 increased by $47,312,681 or 20.04%, moving from $236,120,471 in the previous financial year to $283,433,152 in the reporting period.

Overall, compared to the previous financial year, total receipts increased by $48,393,914 or 18.71%, that is, from $258,704,369 in 2017/2018 to $307,098,283 in 2018/2019.

Expenses:

Expenses shown in the Agro Invest's financial statements are classified under three heading, namely, Operating, Expense for Agro Parks and Administrative expenses. Operating Expenses and Expenses Agro Parks increased significantly, while Administrative Expenses decreased significantly during the financial year being reviewed.

Operating expenses moved from $14,898,716 to $54,074,414 which is an increase of $39,175,698 or 262.95 % over the expenses of the previous financial year. The prolonged drought during 2018 adversely affected operations at the Minard Farms. A Drought Mitigation Project was implemented and this resulted in significant increases in expenditure. Cattle feed expenses moved from $1,275,122 in 2017/2018 to $26,216,352, an increase of 24,941,230 or 1955.99%.

Medicine and drugs expenses for the cattle moved from $125,875 to $1,053,989, an increase of $928,114 or 737.53%. Expenses for Barb wire and staples increased from $17,672 to $360,560, an increase of $342,888 or 1940.29%. Transportation costs moved from $52,995 to $466,207, an increase of $413,212 or 79.72%.

Repairs and maintenance of truck and tractor costs also increased by $612,344 or 947.97 % compared to the previous financial year. Other operational expenses that increased include, Agricultural Shows, which increased by $113,569 or 65.42% and Utilities which increased by $228,214 or 236.66%.

Any changes arising from the revaluation of fair value of the biological assets is captured as an expense or a savings. This resultant decrease in the livestock value, represents an expense to the Corporation as it is similar to expenses incurred in purchasing livestock.

Expenses for Agro Parks totaled $83,473,333, a significant increase of $58,159,852 or 229.76% over the $25,313,481 expended during the previous financial year and represents changes related mainly to salaries, travel and other expenses.

Administrative expenses which amounted to $160,978,562 showed a substantial decrease of $56,797,184 or 26.12% below the $217,572,028 expended in the previous financial year. This decrease resulted largely from the reduction in the provision for bad debts which moved to $12,957,298 from $89,352,981, a decrease of $76,395,683 or 85.50%. The continued implementation of the planned Capacity-Building Programme under the Strategic Corporate Plan accounted for the increases in salaries and travel expenses.
Other areas such as Utilities, General Insurance, Computer Supplies, Office and General Supplies, Subscriptions and Donations and Accommodation increased while there were decreases in areas such as Directors' Fees, Travelling and Subsistence, Pension Contributions and repairs to Motor Vehicle and Equipment, amongst others.

Surplus/(Deficit) for the Period

Despite the increased expenditures incurred, a surplus was realised for the year. The reduction in the provision for 'Bad Debts' under 'Administrative Expenses' contributed to the surplus.

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. Surplus recorded at the end of the financial year under review that would help support the Corporation's future service delivery objectives, may be eroded by the servicing of these outstanding claims. Items that showed significant changes under 'Assets' in the Statement of Financial Position were the Property, Plant & Equipment, Investments, Receivables (increased), However, Biological Assets, Cash and Cash equivalents showed a decrease in 2018-2019. Payables under 'Reserves and Liabilities' also showed a decrease.

NON-CURRENT ASSETS

Under non-current assets, there were challenges regarding the required maintenance and replacements, as well as 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 $320,414,051 increased to $324,158,578, an increase of $3,744,527 or 1.17% as a result of the addition of office equipment, machinery and furniture and fixtures purchased mainly for the new staff that was employed during the year.
Staff Costs

One major area which showed significant escalation for the year was 'Staff Costs' which increased from $117,146,789 to $166,000,862 which is an increase of $48,854,073 or 41.70% over prior year 2017/2018. During the year there was the GOJ's salary increase of 2% along with the increase of travel allowance rates. During the financial year 2018-2019 former employees were also paid outstanding increments and lump sum arrears as well as gratuity payments were made to some employees. A similar project was done to regularise outstanding increments and lump sum payments to existing employees. In addition to those factors which accounted for the increases, salary claims totalling over $25 million were made to six (6) employees who were previously terminated.

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 $3,990,016 or 8.38% in the fair value of the biological assets, which moved from $47,586,766 to $43,596,750 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 $6,518,000 to $6,612,000 a slight net increase of $94,000 or 1.44% 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 marginally from $2,568,914 to $2,834,081. This increase represents an increase of $265,167 or 10.32% which arose mainly as a result of adjustments made 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.
- **Cash and Bank balances**
  This item, which represents Cash at bank and in hand, along with cash equivalents, decreased by $1,590,026 or 3.07% moving from $51,772,859 to $50,182,833. This item looks particularly strong but must be considered in light of the timing of the release of the monthly subvention and the 'Payables' balance which was $49,698,939 at the end of the financial year.

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' decreased from $57,106,985 to $49,698,939. This is a $7,408,046 or 12.97% change, mainly as a result of reduction in Accounts payable, Contracts payable and accrued vacation leave. However, nearly $30 million was used to clear outstanding commitments/claims through Payment Plan arrangements under the first two (2) which were inherited from previous financial years.

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, including 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 $14,723,089 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 $50,182,833

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.

Similarly, 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.

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 76.41% in 2016/2017, increased substantially to 92.66% in 2017/2018 but decreased to 81.87% in the financial year in question.

Similarly the Appropriations-in-Aid collected versus the Projection, moved from 57.04% in 2014/2015, increased significantly to 114.84% in 2015/2016, then it dipped to 68.32% in 2016/2017, then increased again to 107.07% in 2017/2018 and further increased to 169.53% in the financial year 2018/2019.

ITEMS	2014/2015	2015/2016	2016/2017	2017/2018	2018/19
Total Budget (Approved)	108,701,000.00	135,704,000.00	200,970,000.00	254,808,000.00	(Unaudited) 346,171,000.00
Subvention rec'd/Est. Sub.	71,043,079.24	129,597,417.00	153,611,408.0	236,120,471.00 (1)	283,433,152.00
%age of Budget rec'd	65.36%	95.50%	76.43%	92.66%	81.87%
(Shortfall)/Surplus	**(37,657,920.76)**	**(6,106,583.00)**	**(47,358,592.00)**	**(18,687,529.00)**	(62,737,848.00)
Projected AIA	50,538,000.00	42,748,000.00	34,606,000.00	34,606,000.00	27,809,000.00
AIA Collected	28,825,328.66	49,091,895.00	23,641,546.00	36,014,720.00	47,146,833.00 (*)
% of projected AIA collected	57.04%	114.84%	68.32%	104.07%	169.53%
(Shortfall)/Surplus	(21,712,671.34)	6,343,895.00	(10,964,454.00)	1,408,720.00	19,337,833.00
Subvention rec'd	71,043,079.24	129,597,417.00	153,611,408.00	236,120,471.00	283,433,152.00
AIA Collected	28,825,328.66	49,091,895.00	23,641,546.00	36,014,000.00	47,146,833.00
Total receipts	**99,868,407.90**	**178,689,312.00**	**177,252,954.00**	**272,134,471.00**	**330,579,985.00**
Total expenditure	107,988,745.00	179,277,101.00	124,458,409.00	257,784,225.00	285,097,051.00
(Shortfall)/Surplus	**(8,120,337.10)**	**(587,789.00)**	**52,794,545.00**	**14,350,246.00 (3)**	**45,482,934.00**
%age (over expenditure),surplus/ receipts	**(8.13%)**	**(0.33%)**	**29.78%**	**5.27%**	**13.78%**

*Total AIA Collected: AIC - $23,544,328 | AMC- $23,602,505

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:

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. 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 more timely basis.

Prepared by: Kadiana Ramballi (Mrs.)
Chief Financial Officer
July 26, 2019

Agro Investment Corporation

AMC Complex,
188 Spanish Town Road, Kingston 11, PO Box 144
Jamaica, West Indies

(876) 764-8071 I (876) 923-9268
(876) 923-0086 I (876) 923-9261

info@agroinvest.gov.jm I acp@agroinvest.gov.jm