



AGRO-INVEST
AGRO-INVESTMENT CORPORATION

Facilitating Agribusiness Investments

ANNUAL REPORT 2020-2021



MINISTER'S MESSAGE



As the Agro-Investment Corporation (AIC) continues to advance the agriculture growth agenda of the Ministry of Agriculture and Fisheries, the agency has been successfully securing sustainable agricultural investments aimed at bolstering the Jamaican economy through job creation, a diversified ecosystem, appropriate land usage, and the promotion of linkages to value-added production in the sector.

I would like to commend the AIC on the targets achieved for the 2020/2021 period. It is essential that agencies remain productive amidst unforeseen and other challenges to contribute to the Ministry's and by extension, the National goals. Productivity in the form of achieved targets speaks to the quality of work of the AIC, the organizational skills, and the efforts of the employees. With this, I must express my praises for the outstanding infrastructural work that the agency has completed; with an achievement of over 88% of completed infrastructural work, 20% above the target set.

It is quite evident that the AIC excels at developing programmes and strategies; strategies that have included the increased production of over 18% at our Agro Parks; an initiative that was established to increase production and productivity by the structured use of land, labour, capital, and infrastructure.

Tasked to invite investors to participate in these agricultural pursuits, the AIC has laudably secured 206 investors operating in the Agro Parks exceeding its target of 200.

The Ministry has set several goals for a medium-term period (2020/21 – 2023/24), which include direct focus on the large tracts of former arable sugar cane lands for alternative production and to support the expansion in agricultural production and productivity through the development of Agro Parks and Agricultural Production Zones.

This is in line with the Ministry's new mission to craft the New F.A.C.E of Food through Food Security, Agribusiness Development, Climate-Smart Technologies, and Export Expansion (FACE). A key part of achieving this is a strategic approach in the usage of our agricultural lands and the inclusion of youth and women farmers in our programmes.

Our policy priorities require strategic partnerships, commitment and dedicated buy-in from all our stakeholders in order to succeed. Partnerships are required to enhance the competitive, inclusive, and sustainable agriculture sector.

To optimize the production and productivity of key local produce and products towards targeted external markets, the AIC is being encouraged to re-evaluate its capacity building efforts geared towards achieving this.

The AIC will soon operate under a new Agro-Investment Corporation (Amendment) Act, which aims at strengthening the effectiveness of the AIC by increasing its membership and diversifying the qualifications and skill sets of the members, and to empower the entity to mobilize and manage a pool of funds to be used to enhance the competitiveness of Jamaican agriculture in the domestic and global markets.

For the upcoming year, my expectations include significant agricultural expansion which will require even more land, and it is for that reason that I have ensured that the AIC is well placed to increase its pursuit of land acquisition by leasing idle lands for productive agricultural use.

I am tasking the AIC to ramp up their calls in the public space by way of increased traditional and social media presence to make the appeal heard in every corner of Jamaica for increased investment in the sector, and for holders of agricultural lands that are not in use, to contact the AIC so that these lands can be used.

This is a task that requires the highest levels of accountability, dedication, integrity, and transparency and must be anchored by the strongest bonds of stakeholder interaction, investment and collaboration. This is of critical importance if we are to successfully implement and fulfil our mandate of a stronger agricultural sector.





VISION

'To become the Premier Agency in the Caribbean for attracting, promoting and facilitating agricultural investments'



MISSION

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





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Board Sub-Committees

Audit, Corporate Governance & Risk Committee

Lease Review Committee

Procurement Committee

Human Resources Committee

Finance, Ppp & Projects Committee

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WHO WE ARE



AGRO-INVESTMENT CORPORATION

The Agro-Investment Corporation (AIC) is an Agricultural Investment Facilitation entity which functions as the business facilitation agency of the Ministry of 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.



AGRO-INVEST'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

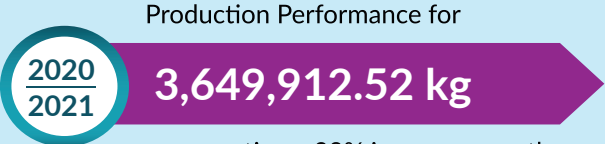
STRATEGIC FOCUS OVER 3 YEARS

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

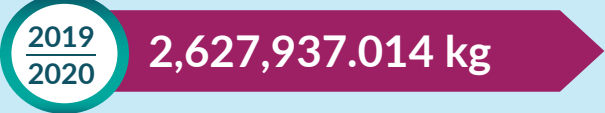
- Drive investment growth.
- Strengthen stakeholder collaboration and improve investor relations.
- Build organizational capacity and increase operational efficiency.
- Mobilize and manage resources.
- Focus on project implementation and management

2020 - 2021 PERFORMANCE AT A GLANCE

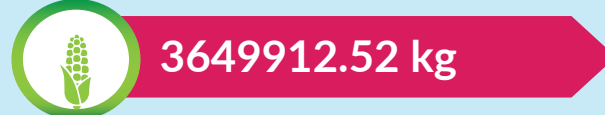
AGRO-PARK'S TOTAL PRODUCTION AND PRODUCTIVITY DATA FOR 2020/2021



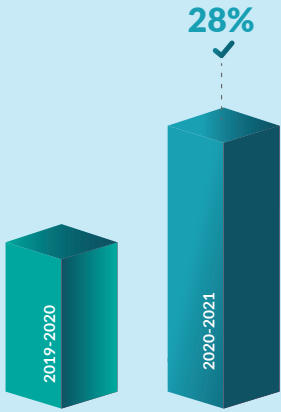
representing a 28% increase over the



Crop production of



Crop production revenue for 2020-21



Number of NEW ACREAGES put into production for 2020/2021-



- 145 Plantain Garden River Agro Park
- 95 Ebony Agro Park
- 125 Holland Production Zone
- 80 Rhmesbury Production Zone

Number of NEW YOUTH & WOMEN ACQUIRED for 2020/2021



Number of NEW LEASES handed out to investors for 2020/2021



- 5 new facilities lease
- 51 property leases

Increase in ACREAGE OF LAND LEASED for 2020/2021

3,884
ACRES

LAND LEASED
2019/20

4,872.87
ACRES

LAND LEASED
2020/21



25.46%
INCREASE



13 | Project Proposals



4 | Concept Papers



11 | Business Cases developed



4 | Business Plans



1 | MOU signed

Number of marketing activities executed for 2020/2021



8 | News Features



8 | Press Releases



20 | Agro-Invest Advertisements



6 | Radio Interviews



9 | Talk Show Segments



4 | Public Relations Events



2 | Signage



1 | Market Linkage Contract/Arrangement - representing over 2.5million pounds of produce

Drive-Thru Farmers' Market Data

over
20,000lbs
of produce sold

generating over
\$1.3M JMD



Number of new training sessions executed for 2020/2021

32 persons were trained in different areas such as:



Customer Service



Global G.A.P (food safety)



Grant Funding and Proposal Writing & Leave Management



CHAIRMAN'S REMARKS

Consequent to the appointment of the new board of management for the Agricultural Investment Corporation (AIC) in November 2021, it is with a sense of gratitude and excitement that we approach this most challenging chapter in the development of the Corporation. On behalf of our current members, I would like to thank the former board for their stewardship, and continued support.

We fully appreciate that it is a time for "All Hands-on Deck".

The AIC throughout its existence, has continually made a positive contribution to the agricultural sector and by extension the Jamaican economy. The events of the last 18 months have seen Jamaica and the world face its worst disaster caused by the impact of the COVID-19 pandemic which continues to challenge the Corporation and its performance.

CHALLENGES

The challenges caused by the pandemic has exposed weaknesses, re-affirmed strengths, created new priorities, and presented new opportunities, to review and realign strategies with national objectives.

Despite these challenges, during the last financial year, we increased the acreage under production at our Agro Parks and Production Zones by Four Hundred & Forty-Five (445) acres while crop production grew by 28% to 3.65 million kilograms.

Rental income from our processing and storage facilities showed tremendous improvement and with the finalization of key investments in five (5) new processing facilities, we should continue to see improved earnings in the years to come.

Whilst these achievements are commendable, we understand and accept the charge given by our Minister to help craft the New F.A.C.E of Food through Food Security, Agribusiness Development, Climate-Smart Technologies, and Export Expansion (FACE).

LOOKING AHEAD

As the Corporation moves forward, we are excited not only about the opportunity to increase acreage under production, through the Agricultural Landowner Match Programme, but to implement new strategies to enhance and encourage the expansion of agricultural exports, as well as supporting the increased involvement of women and youth in agriculture.

We are also committed to the continual enhancement of our Agro processing facilities and maximizing our earnings from these assets.

Most importantly, the AIC will in short order operate under a new Agro-Investment Corporation (Amendment) Act, this act will not only strengthen the management and experience available to the Corporation but will allow us to take on frontally, the challenges faced by the agricultural sector in obtaining financing for expansion and growth.

We are indeed excited about the future.



CEO'S REPORT

The COVID-19 pandemic has brought with it numerous multi-faceted challenges. I am pleased to report that despite this, the year has been exciting and productive for Agro-Investment Corporation (AIC). The company continues to play an increasingly important role in attracting and facilitating investments in Jamaica.

2020/2021 saw the organization continue its arduous work in executing a flexible yet sturdy agribusiness development strategy focused on operations-wide infrastructure and process improvement, production and supply chain asset optimization and removing systemic inefficiencies. The collective experience and skill of the AIC's management team led to the conceptualization, development and execution of strong strategies and tactics which drove growth and development.

Our areas of focus for the 2020/2021 financial year were:

- Agro Park & Production Zones Development
- Asset Optimization & Land Use Management
- Marketing & Communications Impact

AGRO PARKS & PRODUCTION ZONES

COVID-19 in combination with the Sept - Nov 2020 heavy rains negatively impacted the level of crop production for the Agro Parks and Production Zones. Even in the presence of these challenges, the financial year ended with a production performance of 3,649,912.52 kg representing a 28% increase over the 2019/2020 financial year which valued at JMD \$ 731.8 million.

Global Gap Certification

Despite the pandemic, the AIC forged ahead, securing six (6) months extension of the Global G.A.P Certification from the certifying body (CSQA) for the Agro Parks. These certifications allow for increased market access, further exports of fresh agricultural produce, better relationships with

the domestic hospitality retail and Agro-processing markets and therefore more robust and diverse opportunities for AIC.

Investments on the Agro Parks & Production Zones

At present, the Agro Parks and Production Zones have three hundred and thirty-four (334) investors/farmer comprising of 11% women and 15% youth. The Corporation receives at-least 40 enquires per month for land usage and it is expected that new entrants to the Agro Park Programme, as a result of new programmes and tighter management, will include a high ratio of women and youths as against men.

Stakeholder Partnership

- Food for the Poor partnered with the AIC under a Technical Assistance Initiative which resulted in the acquisition of Rotary Tillers for our Amity Hall Agro-Park.
- The Newport-Fersan (Jamaica) Limited was engaged to provide pH and Nutrition Training for our investors/farmers.

Social Equality Strengthening

The Agro Park Development programme continues to support equity expansion on the various Agro Parks across the island. Social equality strengthening has shown a positive impact on the parks' environment by increasing employment and earnings. There has also been significant impact on job creation and the leveraging of opportunities for the vulnerable and marginalized groups.

The Southern Agricultural Development Project (SPAD)

In collaboration with National Irrigation Commission (NIC), the AIC continues to guarantee the development of seven hundred and ninety-four hectares (794 ha) of lands at Amity Hall, Bridge Pen and Parnassus with irrigation, roads, drainage, and administrative buildings to enhance agricultural production. Three (3) wells had been completed drilling yielding above 400 L per secs or 30,000 gals per day.

The Essex Valley Agricultural Development Project (EVADP)

The Essex Valley Agriculture Project is another collaboration between the Agro Investment Corporation and the National Irrigation Commission (NIC). The project is focused on developing Seven hundred and fifty hectares (750 ha) of lands with irrigation, roads, drainage, and administrative buildings. Five (5) productive wells were drilled. At the completion of the project, farmers will be interviewed and assigned to begin all year-round production.

ASSET OPTIMIZATION & LAND USE MANAGEMENT

\$3.8B JMD of government owned properties are managed by the Agro-Invest Corporation. The Property & Fixed Asset Department completed the full Asset Registry with up-to-date market valuation and reinstatement cost for insurance and all rate reviews for the Agro Parks, Production Zones and the Agricultural Marketing Complex were carried out thoroughly. Aligning with the Government's focus on food security and increased agricultural output, the AIC during the period under review ended up managing several

additional parcels of land totalling 2300 acres; most of this land will be put in agricultural production.

Agricultural Marketing Corporation Complex (AMC)

The complex is approximately 104,084.70 sq ft. (9,669.79 sq. m) and at the end of the reporting period for the 2020/2021 financial year, approximately 85,848.12 sq. ft of warehouse and 11,247.7 sq. ft of office space were leased. The Complex has 23 tenants with nine of these tenants positioned as Agro-processors for the export market, whilst the remainder are involved in different trading and packing activities. We continue to link our farmers to the exporters on the complex to ensure a market for their produce and to build equitable relationships.

New Land Bank Acquisition

The previous reporting period (2019/2020) peaked at a total of 3884 acres of land leased. In contrast, the current reporting period (2020/2021) ended with some 6384 acres leased. The current reporting period showed an increase of 64.4% of land leased. Properties/land leased included, Holland Estate, Non-Such, Unity and New Pen, St. Mary, Lennox, and Lower Leyton in Portland.

MARKETING AND COMMUNICATIONS IMPACT

Jamaica's Very First Drive-Thru Farmers' Market

The Agro-Invest conceptualized Jamaica's VERY FIRST Drive-Thru Farmers' Market to remove excess produce from farmers. The participants/consumers numbered over 2500 and the Corporation received an excellent review.

News Features

Over 8 news features and stories were carried throughout the year in print, online and electronic media highlighting the work of the Agro-Invest as well as our investors.

Among the news features were:

- The filming series, known as 'The Business of Food', organized in collaboration with The Public Broadcasting Commission (PBCJ), highlighted investors from various Agro Parks.
- Visit by the then Minister of Industry, Commerce Agriculture and Fisheries, the Honourable Audley Shaw, to one of our investor's farm - Mr. Gary Coulton. Some 10,000 pounds of peppers are sold to Grace Food Processors by investor Mr. Coulton.
- For 'International Women's Day', one of our female investors, Govinda Fisher, received great highlight in the Jamaica Observer, captioned 'I challenge for the love of my children'. Where she spoke about her agribusiness venture.

Agro-Invest Advertisements

Print advertisements during the period included Land/Property Lease, Packaging Facility Lease, The Agricultural Landowner Match Programme, World Food Day, 40 Acre Parcel Investment Opportunity and Eat Jamaican Day. Our Social media was also very active.

Radio Interviews/Talk Show Programmes

A total of 6 radio interviews were done and 9 appearances on talk show programmes throughout the period by several Agro-Invest staff members. A wide range of topics were discussed to explain investment opportunities.

HUMAN RESOURCE MANAGEMENT & DEVELOPMENT

The HR department, particularly in the context of a global pandemic, was instrumental in ensuring the AIC could efficiently complete its operations through appropriately trained and maintained staff. The HR department conducted training need assessments, effected 35 performance appraisals and trained thirty-two (32) members of the organization in various areas including but not limited to: Customer Service, Global G.A.P., Grant Funding, Proposal Writing and Leave Management.

PROJECT DEVELOPMENT OPPORTUNITIES

For the financial year 2020/2021 initiatives worked on included eleven (11) business cases, four (4) concept notes, thirteen (13) grant proposals, PGR Production Zone Expansion and Agricultural Landowner Match Programme. The successful implementation of these plans will contribute approximately JMD \$955 million of capital investment to the agricultural sector. A memorandum of Understanding was also signed with JAMPRO

INFORMATION AND DOCUMENT MANAGEMENT

The department worked on achieving its three (3) major goals as listed below.

- Information and Document Management
- Agile IT Infrastructure
- Communication and Collaboration

Cloud VOIP

Installation of telephone system, replacement of our analogue PBX system with VoIP.

Disaster Recovery as a Service (DRaaS)

Hybrid cloud base disaster recovery develop to mitigate down time caused by any technology related disaster.

Introduction of Office 365

Office 365, the latest version of MS Office, has been established and used to assist staff in remote work.

FINANCE & ACCOUNTS MANAGEMENT

Achievements included:

- ACCPAC software fully implemented.
- My HR Plus payroll software fully utilized.
- The Appropriations-In-Aid for the Corporation for the year stood at **89.3%** (Collections from land leases, rental and other recoverable).
- Financial reports completed and submitted on time.
- Up to date statutory deductions paid on time.

- Up to date GCT payables submitted on time.
- All reports to MOAF submitted on time.
- Active debt collection drive initiated to collect outstanding receivables.
- Payment plans put in place to reduce outstanding receivables.

Diversity in our products, services, customers, employees, and locations will remain an important component of our long-term Strategic Plans. This strategy will allow us to explore new opportunities in the markets we serve.



SERVICES

- Business Planning
- Agricultural Investment Facilitation
- Investment Promotion
- Connecting Investors to Local and Global markets
- On Farm Technical Support
- Tractor Services
- Land Matching Services

PRODUCTS

- Investment profiles for crops
- Agro Park Lands (develop)
- Agricultural Lands (source & develop)
- Processing Facilities
- Cold Storage
- Warehouses spaces
- Animal genetics

CALL US TODAY FOR INFORMATION ON HOW TO START GROW OR MANAGE YOUR AGRICULTURAL BUSINESS

876-764-8365/876-923-9268

info@agroinvest.gov.jm



PRODUCTS & SERVICES



PRODUCTS

- Development of Global Gap Certified Agro Park Lands
- Investment Profiles for Crops
- Agricultural Lands (source & develop)
- Processing Facilities
- Cold Storage
- Warehouse Rental
- Animal Genetics

SERVICES

- Business Planning
- Agricultural Investment Facilitation
- Investment Promotion
- Market Linkages (Connecting Investors to Local and Global Markets)
- On Farm Technical Support
- Tractor Services
- Agricultural Land Matching Services

OUR PRODUCTS & SERVICES PORTFOLIO

The Agro-Invest manages the portfolio of investment properties previously managed by the Agricultural Development Corporation (ADC). AIC in essence is responsible for developing and implementing the business and investment models that support the Ministry's policy and technological initiatives, utilizing its own asset base (including the resources of the Agricultural Support Services and Productive Projects Limited).



Meeting with investor to discuss obtaining Business Planning Services

AGRO-INVEST SERVICE STANDARDS

The Agro-Investment Corporation is committed to meeting the needs of its stakeholders in an efficient and professional manner. AS OUR CLIENTS, you should expect the following standards of service:

- Your calls answered promptly
- Your questions answered courteously
- Your calls directed to specific divisions/units or persons without delay
- Providing you with the name and, if possible, the telephone number of the relevant Government Ministry, Agency, Department, or person who may be able to assist if we are unable to do so
- Acknowledging your written queries within 5 working days
- Responding within 10 working days of receiving correspondence
- Responding within 15 working days if the subject matter is more complex and requires greater attention
- Contacting you if prolonged investigations are needed and explain the reason for the delay; where possible, indicate when a response will be available

OUR COMMITMENT:

- Providing public education
- Facilitating timely, adequate, and accurate publications and information transmitted via multimedia channels to include radio, printed and electronic media, and face-to-face meetings on the Ministry's projects, programmes, and initiatives
- Informing citizens of implementation and changes in costs/fees, policies, and procedures in advance and, if not feasible, no later than two (2) working days after the adjustments are made.

SPECIFIC STANDARDS OF SERVICE FOR OUR INVESTORS

LAND/PROPERTY LEASING	BUSINESS PLAN	SECURING GRANT FUNDING
<ul style="list-style-type: none"> • We will ensure that a receipt and acknowledgement is sent to each applicant • We will ensure that application forms and business proposals are sent to the Project Development Department for review • We will ensure the process does not exceed two (2) weeks • We will ensure that only applicants scoring a 70% and above are considered for recommendation - Applicant will be notified about rejection within 5 working days • An applicant will be given the chance to appeal two (2) weeks after rejection • An applicant will be notified within five (5) working day upon approval • Application will be revoked if applicant fails to take up offer within two (2) weeks 	<ul style="list-style-type: none"> • We will ensure that proper discussions are made with investors before proceeding with signing of contract We will ensure investors make at least 50% payment before proceeding further • A mandatory site visit will be done by officer following payment • A period of no more than two (2) weeks will be taken to draft up a business plan for traditional crops (such as pumpkin) • A period of no more one (1) month will be taken to draft up a business plan for non-traditional crops (such as cannabis) • Review of the document will take no more than one (1) week • The investor will be allowed to review the business plan and make any changes necessary 	<ul style="list-style-type: none"> • We will ensure that proper discussions are made with investors before proceeding with signing of contract • We will ensure investors make payment before proceeding further • A period of no more than two (2) weeks will be taken to process documents sent in by investor • Review of the document will take no more than one (1) week • The investor will be allowed to review the documents • The investor will be given the opportunity of whether he/she would like to send documents off to potential clients
LAND MATCHING	TRACTOR SERVICE	ACCOUNTS RECEIVABLES
<ul style="list-style-type: none"> • We will ensure that a receipt and acknowledgement is sent to applicant • We will ensure that a review of the land is done by one of our officers • We will ensure the customer receives an application form and be given time to complete it • We will ensure that payment is made by customer regarding processing of application • Ensure that a creation of AD is done for customers • We will ensure that a thorough review is done by the L.E.C • We will ensure that right candidate is selected. 	<ul style="list-style-type: none"> • Payment will always be recorded by the Agro Park Manager on the Agro Investment Corporation Form • Mandatory deposit of 50% is required before jobs can commence • The description of the work must include the approximate acreage and usage rate • Forms will always be submitted by the Agro Park Manager, if not forms should be sent the Director of the Agro Park office • A weekly report will be done by the Agro Park Manager on the usage of the tractor(s) at respective Agro Park. 	<ul style="list-style-type: none"> • We will ensure thorough check is done for the amount being paid and ensure all information given is correct • A receipt of payment will always be given to our customers • If customer makes payment via cheque, the receipt will be stamped by Accounts Receivables

CORPORATE GOVERNANCE REVIEW

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

The Board is collectively responsible for the strategic management and oversight of AIC, 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 Agriculture and Fisheries 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: Ian Murray

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 AIC.
- Ensuring that the performance of the Board, its committees, and individual Directors are evaluated at least once a year; and
- Maintaining contact with major shareholders and ensuring that their views are communicated to the Board. Included are also the other significant commitments of the Chairman.

Chief Executive Officer: Dr. Al Powell

Key responsibilities:

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

BOARD OF MANAGEMENT



Vitus Evans (Chairman), Gary Coulton (Deputy Chairman), Junior Graham, Marshall Peterkin, Merle Donaldson, Gavin Bellamy and Karl Hyatt

FAREWELL MESSAGE TO OUR PAST BOARD OF DIRECTORS

The Agro-Investment Corporation has benefited from a panel of experts comprising of men and women who offered their services and directed AIC for 2018 through to the 2020 term. The period under direction was an exciting and invigorating one that saw well needed changes and steering of AIC to operate in a more modern setting.

A Corporation that has vast potential for growth, the team by their involvement in the various subcommittees offered guidance and changes to align AIC with the vision of the Ministry of Agriculture and Fisheries. Changes were inevitable for growth and challenges consistent, but the team fostered a spirit of unity, improvement in staff benefits, Human Resource development and deliverables and, the incorporation of technology to enhance performance and increase output.

The Agro - Invest family takes this opportunity to thank our team of Directors lead by Mr. Vitus Evans Attorney at law, Chairman, Mr. Gary Coulton, Deputy Chairman, Mr. Junior Graham, Ms. Marlene Porter, Mr. Peter Marshall, Ms. Merle Donaldson, Dr. Gavin Bellamy and Mr. Karl Hyatt, for their invaluable service and contribution to the growth of the organization. We are indeed positioned and fueled for change and will continue in our growth process. We wish for you all the best in your future endeavors, and we know that you will continue to be valiant in your service in whatever capacity you are elected.



Ian Murray (Chairman), Willard Hylton (Deputy Chairman), Errol Green, Gavin Bellamy, Marshall Peterkin, Arla Muschett, Petronia Colley and Marlene Porter

WELCOME MESSAGE TO OUR NEW BOARD OF DIRECTORS

In January 2021, AIC officially oriented and installed our new Board of Directors to continue in our mandate to create growth within AIC as well as to effect the relevant human resource skills and technological input to bring the organization continued development and change.

We are therefore pleased to welcome our new Board of Directors, Ian Murray Chairman, Willard Hylton, Deputy Chairman, Arla Muschett, Dr. Gavin Bellamy, Marshall Peterkin, Marlene Porter, Errol Green and Petronia Colley to the Agro-Investment Corporation family. Your myriad of success and expertise in the various public and private sector will help to bolster and improve on the wave of change within AIC.

We anticipate that your skills, expertise and inputs for change will be an asset to AIC, and we look forward to working together and supporting you.



Hon. Floyd Green, Minister Agriculture & Fisheries meeting with the new Board of Directors

BOARD PROFILES

IAN MURRAY (CHAIRMAN)



Mr. Murray brings a wealth of knowledge and experience to his role as Chairman of the Agro-Invest Corporation.

After graduating from Campion college in 1983 and Brandies University in 1989, Mr. Murray spent the next 10 years gaining experience in the Banking and Finance industries.

In his various roles, Mr. Murray was responsible for the structuring of debt issues as well as the creation of Investment portfolios for several high-net-worth individuals and large corporate entities.

An accomplished Apiarist, Mr. Murray started his own Sanitation business in 1997. Over the years he has added three other companies that operate in the field of Microfinance, Distribution and Agriculture.

Ian Murray served in the Senate of Jamaica for the years 2007-2008 and 2010-2011. He also has served on several Boards to include Fiscal Services Limited, Universal Access Fund Limited, the National Health Fund as well as the National Land Agency amongst others. He has also acted as Commissioner at the Casino Gaming Commission. Mr. Murray is the founding member of the Lion's Club of Downtown, Kingston and is the father of the three children.

**WILLARD
HYLTON**
(DEPUTY CHAIRMAN)



Willard Hylton currently holds the post of Managing Director, Transport Authority Jamaica . He is the Deputy Chairman of the Board of Directors of the Agro-Investment Corporation and Chairman of the Human Resource Management Committee. He also serves on several other Boards to include the Island Traffic Authority.

Mr Hylton prides himself with vast business knowledge he has acquired over 32 years, which has allowed for his substantial contributions to National development. He has a love for civic service and as such has extended himself to the development of his community. He was appointed Parent Teachers Association (PTA) President of the Iona High School after which he was appointed to its Board of Directors. The progression paved the way for subsequent appointment such as Chairman of the St. Mary Parish Development Committee (PDC). He recently served as a Director of the National Solid Waste Management Authority (NSWMA) and the Jamaica Library Service (JLS).

Mr. Hylton lectured in Entrepreneurship for many years at the Boscobel and Charles Town Skills Training centres in St. Mary and in the Career Advancement Program (CAP) through the HEART Trust NTA. He is pursuing post graduate studies in Leadership and Management with York St. John University. Mr. Hylton is also a Justice of the Peace and a trained mediator. He is a father of two and enjoys working with people.

GAVIN BELLAMY



Dr. Gavin Bellamy attended Excelsior High School between 1974 and 1980, then attended EXED Community College. On completion he travelled to Tampa, Florida (St. Leo College) and obtained a BA in Pre-Veterinary Medicine. Gavin returned to Jamaica in 1996 where he worked as Customer Service Manager at the Jamaica Livestock Association Ltd. In 1998 he received a scholarship to study veterinary medicine in the Soviet Union. This started with a one-year programme where he learnt the language and became fluent by the end of his tenure.

On completion he travelled to the Ukraine and attended Kharkov Zoo Veterinary institute where he graduated with a DVM (hon) and a MSc in reproductive physiology. He also was accredited as a teacher and translator of the Russian language. On completion he returned to Jamaica and was registered to practice veterinary medicine. His career as a vet began at the Hope Veterinary Hospital where he practiced for two years.

In January Dr. Bellamy assumed his current role as General Manager at Serge Island Farms Ltd, a subsidiary of the Seprod Group of Companies. Gavin is a Justice of the Peace, served as a Lay Magistrate and serve as Director for several Boards. Gavin is married to Catherine since 1999 with two children aged 16 and 13.

ARLA MUSCHETT



Arla Muschett brings over 20 years diverse experience in Sales, Marketing and Project Management to the AIC Board. An accomplished certified Project Management Professional at the Betting, Gaming and Lotteries Commission, her responsibilities include initiating, planning, and successful execution of Major and Special Projects. She was integral in the development and implementation of numerous pivotal sales and marketing initiatives, resulting in significant revenue generation for major private sector organizations before her tenure in the public sector.

Ms. Muschett is a result oriented, excellence driven Entrepreneur. Managing Director of Arla Import/Export Limited and holds a Bachelor of Science Degree (Hons.) from the University of Technology, majoring in Tourism Marketing Management, and an Associate Degree in Business Studies from the Institute of Management and Production.

She is a Justice of the Peace, who is passionate about community transformation through Restorative Justice, and a family-oriented mother of two young men and a little lady.

PETRONIA COLLEY



Petronia Colley is an experienced, strategically focused, and driven leader with over 15 years of success working in culturally diverse and challenging environments. She has influenced business growth through transferable management with expertise in, Marketing, Communications, Project Management, Operations Management, Strategic Planning, strong entrepreneurial prowess with a passion for marketing and communications management, and knowledge transfer.

Ms. Colley holds a MSc. in Agricultural Entrepreneurship, Bachelor of Science Degree in Management Studies specializing in Marketing from the University of the West Indies and an Associate Degree in Business Administration from the Institute of Management and Science.

Ms. Colley has been a Director since November 16, 2020. In January 2021, Ms. Colley was appointed as Chairperson of the Finance, Public Private Partnership and Projects Sub-Committee and was appointed as a member of the Lease Review Committee. Ms. Colley is a member of the Jamaica Football Federation Marketing Committee and the Youth in Agriculture Policy Sub-Committee on Entrepreneurship. Ms. Colley is a Director of Precision Agriculture Limited.

ERROL GREEN



Errol Green is a Chartered Accountant and Registered Public Accountant with over 20 years' experience providing accounting and auditing solutions. He holds the prestigious Association of Chartered Certified Accountants (ACCA) qualification. His area of specialization includes external auditing, business consulting, taxation, cost accounting and financial reporting.

Mr. Green has held several accounting and auditing positions. He has worked as a Financial Analyst and Project Accountant with the Jamaica Social Investment Fund (JSIF) on several internationally funded projects, financed by the World Bank (IBRD), Caribbean Development Bank (CDB), the European Union (EU) and the Organization of Petroleum Exporting Countries (OPEC).

Mr. Green is also an Agriculturalist trained at the Elim Agricultural School in the Parish of St. Elizabeth and became a practitioner in the field of agriculture for several years, in the areas of Sea Island cotton, ginger, coffee, banana, horticulture production, and a variety of cash crops.

Mr. Green brings to the Board a wealth of experience in agriculture, as well as financial, cost and project accounting. In addition, his extensive background in auditing, financial analysis, business and taxation advisory services across industries, such as; Government of Jamaica, the retail trade, distributive sector, construction, security, bauxite, airlines and automotive, augurs well for his tenureship.

MARLENE PORTER



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

Mrs. Porter has enjoyed extensive and successful collaborations with public and private sector partners. Mrs. Porter previously served as a senior executive within the private sector and held a senior position in the Economic Research and Programming Division at the Bank of Jamaica, following a short stint in the commercial banking sector.

She holds a Masters' degree in Business Administration (MBA), a Master of Science (MSc) degree in Economics and a Bachelor's degree in Mathematics with Social Sciences from UWI. She is also a trained Mathematics teacher. Mrs. Porter has served on several public and private sector Boards.

MARSHALL PETERKIN



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

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

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

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

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

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

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

**TANIESHA
BENNETT-CAMPBELL**
COMPANY SECRETARY



Mrs. Bennett Campbell has served AIC for over four years in the capacity as Corporate Secretary. A graduate of the University of West Indies, Mrs. Campbell holds a BSc in Political Science with minors in Criminology and Social Psychology. She is currently pursuing her Master's degree with concentration in law at the Queen Mary University of London and her chartered secretary designation through the institute of chartered secretaries an administrations in London.

With over 12 years of administrative experience in private legal as well as public roles she has contributed to AIC's growth in varying capacities. At AIC Mrs. Campbell assisted the Board of Directors in managing meetings and effecting decisions in carrying out their functions. She was also the secretariat for the Boards subcommittees and gave oversight to the strategic and operational policies and procedures within AIC. Mrs. Campbell is married with two daughters ages 5 and 12, respectively.











BOARD MEETINGS






Five (5) Board Meetings were held during the reporting period. Should a Director be 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' MEETINGS

OLD BOARD

 Vitus Evans Chairman	 Gary Coulton Deputy Chairman	 Marshall Peterkin	 Karl Hyatt	 Junior Graham	 Gavin Bellamy	 Marlene Porter	 Merle Donaldson
Attendance	Attendance	Attendance	Attendance	Attendance	Attendance	Attendance	Attendance
-1	-1	-2	-1	-1	-1	-2	-1

NEW BOARD

 Ian Murray Chairman	 Willard Hylton Deputy Chairman	 Petronia Colley	 Arla Muschett	 Gavin Bellamy	 Errol Green	 Marlene Porter	 Marshall Peterkin
Attendance	Attendance	Attendance	Attendance	Attendance	Attendance	Attendance	Attendance
-4	-3	-3	-4	-4	-4	-	-

In addition to the Board meetings above, there were nine (9) ad hoc Board and sub-committee (Audit) meetings, which approved the 2020/2021 Annual Report and Accounts, the Corporate Strategic Plan, the completed audit of the AMC Complex and AIC's audited financials for the year 2019/2020.

HOW THE BOARD OPERATES

BOARD INFORMATION

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

Independent advice

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

Induction and personal development

The Chairman through the Corporate Secretary is responsible for ensuring that induction and training is provided for each Director. Each new Director receives an induction pack and undertakes a bespoke induction programme that provides them with information on AIC, 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 AIC.

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

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

- Ongoing review of strategy by the Board, which aims to identify potential strategic risks facing the company.
- Establishing and monitoring of the formal schedule of matters reserved for decision by the Board.
- Establishing a defined list of authority and approval limits.
- Monitoring of actual performance against budget and forecasts. A detailed monthly

management pack is prepared, which includes consolidated results and summarised results for each sub-programme. The performance of each sub-programme is reviewed monthly by the Executive Directors and reported to the Board at each meeting.

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

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

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 several policies available via an online policy management portal. This includes a Code of Ethics, a Conflict-of-Interest Policy, a Nepotism Policy, and a Whistleblowing Policy. In particular, the Whistleblowing Policy has procedures for disclosing malpractice and is intended to act as deterrent to fraud or other corruption or serious malpractice. It is also intended to protect AIC'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 5 committees of the Board, namely: Audit, Corporate Governance & Risk, Lease Review, Human Resources, Procurement, and Finance, Public Private Partnership & Projects. The various committees of the board are chaired by individual directors who are equipped to carry out the mandate of the specific committees pursuant to the terms of reference for that committee. It must be noted that the Audit and Procurement committees are properly constituted as per the guidelines prescribed.



BOARD SUB-COMMITTEES









AUDIT, CORPORATE GOVERNANCE AND RISK COMMITTEE

April 2020 – March 2021 - 3 meetings held

The Audit, Corporate Governance & Risk Committee, a sub-committee of the Board, comprises of three to four members of the Board, namely:

Karl Hyatt (Chairman- Old Board)
Junior Graham (Old Board)
Gavin Bellamy (Old Board)
Vitus Evans (Old Board)

Errol Green (Chairman – New Board)
Gavin Bellamy (New Board)
Ian Murray (New Board)

							
Karl Hyatt Chairman Old Board	Junior Graham	Gavin Bellamy	Vitus Evans	Errol Green Chairman New Board	Ian Murray	Karen Mcpherson Co-opted Member	Denzil Thomas Co-opted Member
Attendance	Attendance	Attendance	Attendance	Attendance	Attendance	Attendance	Attendance
-2	-2	-2	-1	-1	-1	-1	-1

To assist in its operations, the Committee is staffed by the following personnel:

Karen Mcpherson (Co-opted)
Denzil Thomas (Co-opted)
Sherine Simms-Landell (Senior Internal Auditor)
Rose Levy (CFO)
Anthea Ramsey-Waisome (Senior Director HRMD)

The Committee is responsible for the Agro-Investment Corporation's Audit, Corporate Governance and Risk Assessment policy and regular review. This entails:

- Keeping under review the company's internal financial controls systems.
- Reviewing the adequacy and security of the company's arrangements for its employees, contractors and external parties to raise concerns, in confidence, about possible wrongdoing in financial reporting or other matters.
- Approving the appointment or termination of appointment of the head of internal audit.
- Reviewing and approving the role and mandate of internal audit
- Considering and making recommendations to the board for approval, in relation to the appointment, re-appointment and removal of the company's external auditor.
- Monitoring, reviewing, and evaluating the Board's and AIC's compliance with applicable Corporate Governance laws, regulations, policies, procedures and requirements, and formally report thereon at least once annually to the Board.
- Advising the board on the company's overall risk appetite, tolerance and strategy
- The Committee meets quarterly or at appropriate intervals in the financial reporting and audit cycle and otherwise as required.







LEASE REVIEW COMMITTEE

April 2020 – March 2021 - 2 meetings held

The Lease Review Committee, a sub-committee of the Board, comprises of three to four members of the Board, namely:

Merle Donaldson (Chairman – Old Board)
 Vitus Evans (Old Board)
 Karl Hyatt (Old Board)
 Marlene Porter (Old Board)

Marlene Porter (Chairman – New Board)
 Petronia Colley (New Board)
 Willard Hylton (New Board)

					
Merle Donaldson Chairman Old Board	Vitus Evans	Karl Hyatt	Marlene Porter Chairman New Board	Petronia Colley	Willard Hylton
Attendance	Attendance	Attendance	Attendance	Attendance	Attendance
-1	-1	-1	-1	-1	-1

To assist in its operations, the Committee is staffed by the following personnel:

Dr. Powell (CEO)
 Owen Scarlett (Director, Agro-Parks)
 Rickman Edwards (Manager, Property & Fixed Asset)

Rose Levy (CFO)

The Committee is responsible for the Agro-Investment Corporation's Lease Review policy and regular review. This entails:

- Reviewing lease applications from the Lease Evaluation Committee (LEC) and make recommendations for approval or otherwise.
- Developing and recommend additions or changes to AIC's land lease policies, principles, and

procedures.






- Monitoring/reviewing the terms of reference, composition, organization, operations, and performance of the LEC.
- Making appropriate recommendations to the Chairman of the Board and/or the Board for corrective and remedial actions where appropriate.
- The LRC meets once every 2 months or more frequently as circumstances may require.

PROCUREMENT COMMITTEE

April 2020 – March 2021 - 3 meetings held

The Procurement Committee, a sub-committee of the Board, comprises of three to four members of the Board, namely:

Marshall Peterkin (Chairman – Old Board)	Gavin Bellamy (Chairman – New Board)
Karl Hyatt (Old Board)	Willard Hylton (New Board)
Gavin Bellamy (Old Board)	Arla Muschett (New Board)

				
Marshall Peterkin Chairman Old Board	Karl Hyatt	Gavin Bellamy Chairman New Board	Willard Hylton	Arla Muschett
Attendance	Attendance	Attendance	Attendance	Attendance
-3	-3	-3	-1	-0

To assist in its operations, the Committee is staffed by the following personnel:

Rickman Edwards (Manager, Property & Fixed Asset)
Rose Levy (CFO)

The Committee is responsible for the Agro-Investment Corporation’s Procurement policy and regular review. This entails:

- **Review and Approval of Policy/Procedures**
Approve Agro Invest’s procurement and contracting policy and procedures and subsequent revisions of these; approve the Annual Procurement Plan of the Agro Invest which shall align its policies with its resources through an annual and projected multi-year operational schedule, taking into account all lead times of the procurement process;
- **Review/Approval of Contracts**
Review all procurement which required the final approval of the Chief Executive Officer, according to the established thresholds. A report of these

shall be submitted to the Procurement Committee at each meeting;

- **Monitoring /Evaluation**
Monitor procurement and contracting policies/ procedures by the Agro Invest and to take appropriate action to correct deficiencies when noted;
- **Review and Approval of Variations Above Contract Sum**
Approve all cost variations above contract sum, and if the Committee deems it appropriate, to delegate a portion of that authority to the Agro Invest’s management.

The Committee meets as necessary in the financial reporting and audit cycle.






HUMAN RESOURCES COMMITTEE

April 2020 – March 2021 - 3 meetings held

The Human Resource Committee, a sub-committee of the Board, comprises of three to four members of the Board, namely:

Marlene Porter (Chairman – Old Board)
Vitus Evans (Old Board)

Willard Hylton (Chairman – New Board)
Gavin Bellamy (New Board)
Arla Muschett (New Board)

				
Marlene Porter Chairman Old Board	Vitus Evans	Gavin Bellamy	Willard Hylton Chairman New Board	Arla Muschett
Attendance	Attendance	Attendance	Attendance	Attendance
-1	-1	-1	-1	-1

To assist in its operations, the Committee is staffed by the following personnel:

Anthea Ramsey-Waisome (Senior Director HRMD)

Rose Levy (CFO)

The Committee is responsible for the Agro-Investment Corporation's Human Resources and is established to annually to the Board on AIC's succession plan oversee the management of human capital to ensure that AIC attracts and retains the talent needed to deliver on its mandate and business objectives. The objectives of the Committee entails:

- Human Resources Strategy**
The Committee review and recommend for Board approval the Human Resources strategy including key HR objectives, plans and workforce requirements, and monitor the implementation of same.
- Succession Planning for Critical and Key Positions**
The Committee review, comment, and report
- Appointments of Senior Management and Major Organizational Changes**
The Committee review and, if considered appropriate, recommend to the Board of Directors for approval; appointment of Senior Management; appointment or removal of the CAE; any major organizational structure change proposed by the CEO, considering input from the Audit Committee with respect to its areas of responsibility.
- Compensation Policies, Programs and Plans**
In relation to compensation policies, programs and

plans, the Committee shall: In consultation with the Board Chairman and Board of Directors, review and recommend to the Board, the annual compensation, and benefits of the Company Secretary.

- **Employee Relations and Ethics In relation to personnel**

The Committee regularly review, recommend and monitor AIC policies which provide for the sound management of AIC’s personnel, in compliance with applicable legislation; monitor and make all necessary recommendations to the Board.

- **Risk Assessment**





The Committee assess the risks to which the Human Resource function is exposed, and provide its input to the Board of Directors, including: employee attraction and retention; employee engagement and performance.

FINANCE, PPP & PROJECTS COMMITTEE

April 2020 – March 2021 - 1 meeting held

The Finance, PPP & Projects Committee, a sub-committee of the Board, comprises of three to four members of the Board, namely:

Petronia Colley (Chairman)	Errol Green
Arla Muschett	Marlene Porter

			
Petronia Colley Chairman	Errol Green	Arla Muschett	Marlene Porter
Attendance	Attendance	Attendance	Attendance
-1	-1	-1	-1

To assist in its operations, the Committee is staffed by the following personnel:

Dr. Powell (CEO)
 Dr. Lillymae Walder (Dir. Projects)
 Rose Levy (Chief Financial Officer)
 Alecia Brown-Forbes (Senior Marketing Officer)

The Finance, PPP and Projects Committee is appointed to assist the Board in evaluating investment, acquisition, assets/ new business, enterprise services, projects and PPP's and all transactions in which the Cooperation engages as part of its business strategy. The objectives of the Committee entails:

Finance:

- To make recommendations to the Board on matters of finance and accounting in general
- To bring to the attention of the Corporation any perceived weaknesses in the accounting and finance system, with suitable recommendation for addressing such deficiencies.
- Ensure that the financial reporting and compliance regulations are duly satisfied,
- To support the financial health of the organization and make recommendation regarding sound investment(s),

PPP & Projects:

- Ensure projects are designed in accordance with the framework set out by the Public Investment Management System (PIMS).
- Ensure that projects are implemented and monitored in accordance with the overall developmental objectives of Government of Jamaica.
- PPPs are designed, developed, implemented, and monitored in accordance with the appropriate policies and procedures, regulations and laws for efficient and effective operations, greater levels of transparency and accountability.
- Oversee organisational financial, PPP and project planning and make recommendations to the Board accordingly.
- To ensure that funds are adequate and available for the strategic plan.



AGRO INVESTMENT CORPORATION
DIRECTORS FEES/EXPENSES
APRIL 2020 - 2021

	FEES	MILEAGE		TOTAL
A. Muschett	63,100.00			63,100.00
D Thomas	26,000.00			26,000.00
E. Green	70,300.00			70,300.00
G Coulton	32,500.00			32,500.00
G. Bellamy	80,300.00			80,300.00
I. Murray	77,900.00	55,389.60		133,289.60
J. Graham	48,500.00			48,500.00
K McPherson	26,000.00			26,000.00
K. Hyatt	65,500.00			65,500.00
M. Donaldson	43,500.00			43,500.00
M. Peterkin	36,000.00			36,000.00
M. Porter	56,500.00			56,500.00
P. Colley	40,200.00			40,200.00
Vitus Evans	86,500.00			86,500.00
W. Hylton	73,300.00			73,300.00
TOTAL	826,100.00	55,389.60		881,489.60

Our Phenomenal Farmers

RICHARD WATSON

Richard became a Farmer in 1994 because of the allure of producing yam for the export market. He started operating on a 15-acre plot of land in Mount Mariah, St. Ann where he planted yellow yam for the export market. However, it was very challenging to farm at this location due to a lack of irrigation infrastructure and consistent supply of water which resulted in low yield. Disappointed, but not daunted, he continued his pursuit for a more suitable plot of land to conduct his farming operation.

He later became aware of the availability of irrigated land through the Agricultural Support Services Programme (ASSP) and was able to secure a 20-acre plot at the Ebony Agro Park in Clarendon. This was exactly what he needed. This structured lease agreement provided a consistent supply of irrigation water, maintained farm roads and drainage systems, technical support and assistance with the marketing of produce. With immense opportunities at his fingertips, he was determined to take advantage. So, he went back to the drawing board and amended his Business Plan which resulted in him switching from planting yellow yams to tree and cash crop production. He went on to establish ackee, breadfruit June plum, avocado, mango and coconut orchards, where these crops are intercropped with sweet potatoes, pumpkins, hot peppers, escallion, and okra on a rotation system.



Richard Watson Investor at Ebony Agro Park in his Greenhouse



Richard Fertilizing his Escallion Farm



Richard hard at work on his Escallion Farm

MRS. CHARMINE BLAIR-STEWART

Charmaine has been farming on the PGR Agro Park located in the Plantain Garden Valley in the parish of St. Thomas, for over Twelve (12) years.

She cultivates mainly cassava, Irish potato, pumpkin, plantain, banana, watermelon, cucumber, onion, sweet potato, and sweet corn, and operates on an area of just under twelve (12) acres. She maintains a productivity rate averaging 85% annually and the practice of allowing land to fallow after each crop cycle is the reason for her not maintaining a 100% utilisation.

Charmaine is contracted to D&G Foundation to cultivate cassava for use in the manufacture of Red Stripe Beer. She has access to market linkages provided by the Rural Agricultural Development Authority (RADA) and the Agro Investment Corporation (AIC).

Her farm is Global G.A.P certified; therefore, she practices and maintains proper field sanitation, pest and disease control, and always adheres to set guidelines and protocols as it relates to farming practice.

As one of the most active and productive female investors on the PGR Agro Park, she makes much effort to attend training workshop and seminars, field events and any other activity related to farming. Her approach to farming is a business like one. She is articulate, virtuous in her dealings both on and off the park. She is always willing to lend the helping hand to any other investors who may be in need, in any way she can.

This combination (fruit trees and cash crops) has proven to be quite lucrative over the years and has allowed him to supply fresh produce to several of Jamaica 's leading Agro Processing Companies, Hotels, Exporters and Purveyors. Agro Processing Companies supplied include Walkerswood Caribbean Foods, Grays' Pepper, Grace Agro Processors, Twickenham Bammies, Carlestone Bammies, Lajar Trading, Central Packers Ltd, Tyjule, Shavout, Company Limited with Cassava, Hot peppers, Sorrel, Mangoes, Breadfruit, and escallion.

Supermarkets supplied include Progressive Grocers, Mega Mart and Hi Lo Food Stores (sweet potato, East Indian Mangoes, pumpkins, okra and avocado) Exporters supplied include CARITA, Tropical Foods Distributors (Sweet potatoes and Hot Peppers).

Richard is presently a founding member of the Ebony Park Agro-Cooperative 2016 Limited (EPAC-2016) where he serves as the Vice President. He describes his tenure as fulfilling, yet frustrating at times, due to the lack of interest by some farmers to join the group and fully embrace the concept.

He acknowledges that Agro-Investment Cooperation (AIC) has had a significant impact on increasing agricultural productivity and Efficient use of resources through training and technical support. This increase is not only evident on the Agro Parks but also at the national level through increases in the GDP. Through AIC he and some of his fellow farmers were able to obtain Global G.A.P Certification which propelled the group to another level where they are now able to supply international markets requesting Global G.A.P Certified produce and establish and maintain Good Agricultural Practices



Charmaine Blair-Stewart Investor is all smiles harvesting her Cassava Crop

SUEDI-ANN HAMILTON (YOUTH FARMER)

Beating the sunrise every morning, Suedi-Ann Hamilton makes the trip from Kingston to her five-acre plot in Ebony Park, Clarendon, where the young entrepreneur has embarked on an ambitious journey to build an agricultural conglomerate.

Believe Farms is the name that the 25-year-old conceptualised for her Agro-business, after meeting strong resistance from her parents who wanted her to take a more traditional route to success, after she earned a Bachelor of Business Administration Degree from the University of Technology, Jamaica (Utech, JA) in 2018.

“My father wanted me to get a consistent job like a doctor or lawyer. I had the brains for it, but I did not want to work for anyone. My dream was not to leave university and work for someone else,” Hamilton told the Jamaica Observer while they were on a tour of her fledgling field of peppers on Tuesday December 29, 2020.

In 2020, after completing a rigorous selection process with the Agro- Investment Corporation, she was able to lease five acres of land to cultivate West Indian Hot Peppers. Suedi evaluated the irony that it was her father who sparked her desire to become an entrepreneur as he once made a life for himself importing and selling clothes to higglers in downtown Kingston.



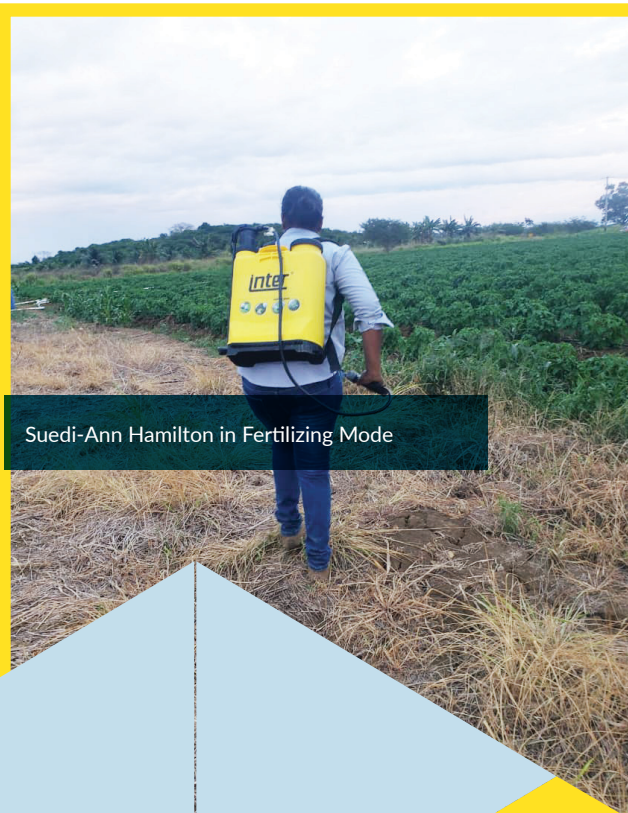
Charmaine Fertilizing her cassava crop



Currently, Ms. Hamilton has entered the business world, but unlike her father who imported goods to Jamaica, she intends to export Agro-products to overseas markets. “I got that entrepreneurial thing from my father. He did not want that for me, but I’m an entrepreneur. I think it is in my DNA”, she has reported. With assistance from the AIC in the form of technical farm support, market linkages, introduction of new technology and equipment as well as overall production system support, Suedi has been able to expand her agricultural production from hot peppers to also include sweet corn, okra and sweet potatoes.

Her supply chain includes Agro Processing giants Walkerswood Caribbean Foods, Purveyors such as Tijule Company Limited, local eateries such as Murray’s Jerk Hut and Fish Pot, retail supermarket chain giant, Progressive Grocers/Shoppers Fair, Ajan’s Supermarket, exporters such as Carita Jamaica Limited, hotels, Grand Bahia Principe Jamaica as well as other local distributors and vendors.

When interviewed, Suedi Hamilton expressed that her medium-term objective is to venture into greenhouse farming to target high end customers. Expansion into supplying more local hotels and supermarket chains is another goal as well as scotch bonnet pepper production. Ms. Hamilton’s long-term plan to is to apply for her own export licence. But for now, she is taking it one step at a time and working with the local exporters.



Suedi-Ann Hamilton in Fertilizing Mode



Suedi-Ann Hamilton Investor at Ebony Park in her Okra Field



Suedi-Ann putting in her hot pepper seedlings

HR - SERVICE DELIVERY

The HR Department of the Agro-Invest plays a vital role in improving service towards its internal and external customers. Our customer service delivery is used to denote the organization's reputation as a customer-focused employer. Our image is critical to the organization thus we strive to make it a 'great place to work.'" We have been mandated to market our services through our human resources by providing excellent service through maintaining and exceeding our service standards. It is our strategy to continuously improve our service delivery and effect changes to build our brand to align with the strategic goals and objective of the organization.

To make offering great service a reality we undertook the training of sixteen (16) members of staff in Customer Service in 2020. These members of staff included Drivers, Telephone Operator/ Receptionist, Attendants, Handy Men, Groundsmen, Accountants and the Administrative Assistants. These members of staff were exposed to one week of intensive training and received Certificates of Participation. The training received, increased the knowledge and awareness level of these members of staff which has resulted in a more motivated workforce thus lifting the organization's Service Standard. Members of staff will now be held accountable based on their service level agreement.

It is often said in many spheres that the Human Resources Department in many organizations have a bad reputation of not being customer centric, very unfriendly, uncooperative, or condescending towards employees or customers in need of assistance. To

overcome this negative image, the Agro Investment Cooperation Human Resource professionals have adopted the philosophy to be customer service oriented. This means that each and every employee and client interface be it internal or external is important to the overall human resource value chain.

The HR Department stands resolute in influencing Customer Service excellence throughout AIC We stand by our mantra "HR Cares".



HR Management Training



IT - FOCUS

AIC began the use of Office 365 in February 2021 during the midst of the COVID pandemic. This project was important to us as our employees' daily activities have always required work from anywhere model. Since implementing the productivity suite, our staff has been able to connect, share and access critical up-to-date production data anytime and from any location in the most secure way possible. Our company intranet was built using SharePoint online and provides a central space for employees to have everything they need to get their work done. Our intranet is now the place to keep staff updated and informed as company information and news can now be circulated throughout the organization even for our Park Managers at their different locations.

For the Agro-Park team, the introduction of office 365 brought with it advanced organizational tools that were far advanced than those previously used. It centralized information reducing the search time for files, events, and meetings, and strengthened the team to collaborate on simple forms and complex projects. One of our champions for the implementation of the office 365, Tara Johnson, Administrative Assistant for the Agro-Park Unit says,

"Through practical training from the IT department and the enthusiasm of staff to learn we were able to successfully empower teammates to combat some of the negative effects that the pandemic was causing. Interactive forums and meetings were held and qualitatively communication was improved (based on testimonials from the Administrative Assistants and middle managers)".

What is exciting is that the platform has the potential to do so much more. Within the pipeline is the use of Microsoft TEAMS with OneDrive and SharePoint to host the knowledge management system for the SPADP & EVADP. This is further evidence of the system to not only aid communication for inter and intra related department matters but to collaborate with local and international entities. The best is yet to come if we only open our minds to the possibilities that lie ahead.



The poster features the AGRO-INVEST logo at the top, which includes the coat of arms of Jamaica and the text 'AGRO-INVEST AGRO-INVESTMENT CORPORATION Facilitating Agri-Business Investments'. Below the logo is a green banner with the text 'DO YOU HAVE AGRICULTURAL LANDS? WE CAN HELP YOU LEASE IT' and 'Agricultural Land Owner Match Programme'. The main body of the poster is white with green accents and contains the following text:

APPLICATION SUBMISSION GUIDELINES
Application forms are available for download at www.agroinvest.gov.jm and should be completed and submitted with the relevant supporting documents to info@agroinvest.gov.jm
Application forms will also be available at RADA offices island wide and the Agro-Investment Corporation's Corporate Office located at 188 Spanish Town Road, Kingston 11
For more information, please call us at 876-923-0086 or 876-923-7428

ELIGIBILITY CRITERIA
1. Agricultural Land Owners who are seeking to transfer agricultural lands via lease, or other tenure arrangements to suitable Investors/Farmers
2. Interested applicants should own at least 20 hectares/50 acres

TERMS AND CONDITIONS APPLY

At the bottom, there are social media icons for Facebook, Twitter, and Instagram.

OUR AGRICULTURAL LANDOWNER MATCH PROGRAMME

Agro Invest commenced its Agricultural Landowner Match Programme in May 2020. The Corporation's mandate is to facilitate agricultural investment and development and as such AIC took this to task and launched the programme to get all unused land into agricultural production.

Also, we know that the leasing process can be a hassle for some persons who are unsure of the lease proceedings especially the legal aspect of it. Therefore, Agro Invest's aim as well is to take the hassle from landowners who are interested in lease agreements for their unused land space. We want landowners to apply, and we will do the leg work in finding a suitable investor and creating the match.

AIC is targeting all persons who are in legal possession of 50 acres of land or more, whether they reside locally or abroad. Therefore, there is no limit to the target market. We will facilitate all applicants if they meet the criteria. This criterion speaks to ensuring that property taxes are up to date also persons should be in possession of a valid title for the property.

Should persons have less than the 50 acres of land, we encourage them to still apply, especially if the acreage is 30 or 40 acres which is quite sizeable. Agro Investment Corporation of course will be the facilitator of this arrangement between landowner and investor/farmer. There are 2 phases to the programme. Under the

first phase of the programme landowners interested in leasing their land should apply to us and we will do background checks and site visits to determine whether the property is feasible for lease. The second phase involves promoting the property that is up for lease to acquire a suitable match.



How persons can access application forms for the Agricultural Land Owner Match Programme

Application forms can be found on the Corporation's website at www.agroinvest.gov.jm as well as RADA's website at www.rada.gov.jm. Both websites currently have all the information and documents that the land owner would be asked to supply. Persons should download the forms, fill them out and send them to our email address at info@agroinvest.gov.jm.

There is an application fee of \$5,000.00 as part of the process for the agricultural Land Owner Match Programme. Payment instructions are emailed directly to applicants who have applied. Applicants can either choose to pay the application fee of \$5,000.00 via 4 methods:

1. In Office at Agro-Investment Corporation
2. In Bank Branch payment to Agro-Invest's Bank Account
3. ACH/RTGS Online Bank Transfer
4. Wire transfer to Agro Invest

Persons can contact us at 188 Spanish Town Road, Kingston 11 or call us on (876)923-0086 or (876)764-8071. Email: info@agroinvest.gov.jm or visit our social media pages [@agroinvestja](https://www.instagram.com/agroinvestja)

AGRO INVESTMENT CORPORATION
DIRECTORS FEES/EXPENSES
APRIL 2020 - 2021

	SALARY	MOTOR VEHICLE ALLOWANCE	GRATUITY	TOTAL
CHIEF EXECUTIVE OFFICER (April - March)	6,836,544.00	1,697,148.00	-	8,533,692.00
CHIEF EXECUTIVE OFFICER (Jan - March)	1,410,715.43	346,729.16		1,757,444.59
CHIEF FINANCIAL OFFICER (April - August)	2,294,839.49	282,958.20	1,211,378.57	3,789,176.26
CHIEF FINANCIAL OFFICER (June - March)	3,443,777.41	1,404,861.40		4,848,638.81
SNR. DIRECTOR, HRM & DEV. (April - August)	2,401,147.57	282,958.20	1,264,885.61	3,948,991.38
SNR. DIRECTOR, HRM & DEV. (June - March)	3,820,933.58	1,324,114.20		5,145,047.78
CHIEF AUDIT EXECUTIVE	4,691,751.00	1,697,148.00	1,206,365.78	7,595,264.78
DIRECTOR, PROJECT MGMT.	4,561,425.00	1,697,148.00	2,180,198.10	8,438,771.10
PROPERTY & FIXED ASSETS MANAGER	3,436,890.03	894,924.00	822,200.49	5,154,014.52
DIRECTOR, AGRO PARK DEV.	4,691,751.00	1,697,148.00	2,126,291.49	8,515,190.49
DIRECTOR OF ACCOUNTS	4,425,774.00	894,924.00		5,320,698.00
CORPORATE SECRETARY	4,148,323.86	894,924.00	852,066.68	5,895,314.54
IT MANAGER	3,485,297.04	894,924.00		4,380,221.04
TOTAL	49,649,169.41	14,009,909.16	9,663,386.72	73,322,465.29

MANAGEMENT TEAM



CEO'S PROFILE DR. ALEXANDER (AL) POWELL

MBA, DBA, JP

Alexander (AL) Powell was appointed Chief Executive Officer of the Agro-Investment Corporation, effective July 1, 2019. Dr. Al Powell is a results-oriented, consistent, and innovative senior management professional, with over 25 years of senior management experience. He has worked with both large and small prominent private and public sector companies to develop and execute strong strategic plans and leverage cutting-edge tactics across the core disciplines of Business Management.

Dr. Powell previously had a leadership role in the Agriculture Sector as CEO of the Rural Agricultural Development Authority (RADA) and has served as Group Vice-President of Thermoplastics Limited; General Manager of Industrial Sales, Seprod Limited; Assistant General Manager of Facey Commodity Limited and Marketing Director of Hardware & Lumber Limited.

As a result of his experience and expertise, Dr. Powell has held board appointments at the Jamaica Agricultural Society, Wallendorf Coffee Company Limited, Jamaica Business Planners Limited, and The Banana Board. Additionally, he has served on Management Committees such as Johnson & Johnson and the RADA St. Andrew Parish Office. He has also offered consultancy services to various companies in the areas of Finance, Human Resources, Marketing and Corporate Governance.

Not limiting himself to business pursuits, Dr. Powell has had the pleasure of educating the next generation, lecturing Strategic Management and Global Marketing Management to graduate students at the University of Technology, Jamaica.

Dr. Powell pursued economics at the University of the West Indies and later continued his studies at Barry University, Florida, where he received a Master of Business Administration. His doctoral degree in Global Business and Leadership was earned at California Intercontinental University in Irvine, California.

To the Agro-Investment Corporation, Dr. Powell brings a wealth of knowledge, a proven track record and an enthusiasm for excellence. He is an avid consumer of both local and international news, a lover of history and a keen conversationalist. He enjoys international travel and is a Justice of the Peace.

SENIOR MANAGERS' PROFILE



OWEN SCARLETT

PROFILE

Owen D. Scarlett is the Director of Agro Park Development. His qualifications include a Master's in Business Administration (MBA) in Banking and Finance from the Mona School of Business, University of the West Indies (UWI) and a Bachelor of Science Degree (BSc) in Agriculture from the University of The West Indies St. Augustine. He is also certified in Project Management Principle at the Mona School of Business.

EXPERIENCE

For more than twelve (12) years he has worked in various positions within the government of Jamaica including Farm Manager at Montpelier Citrus Company in St. James and Farm Supervisor at St. Mary Banana Estate.

He has worked in various positions within the Ministry of Industry, Commerce, Agriculture and Fisheries for more than 10 years which fostered his growth and development in Food safety and quality controls. Mr. Scarlett has a shared vision and goal of inspiring, empowering and influencing his team to achieve the mandate of the Agro Parks and Production Zones.



Senior Management Strategic Retreat 2020 - Under the theme 'Championing Agricultural Investments'



RICKMAN EDWARDS

PROFILE

Mr. Rickman Edwards has been the Property and Fixed Asset Manager since January 2016. He is a graduate of the University of Redding where he obtained a Bachelor of Science Degree (First Class Honours) in Estate Management. He is also a graduate of the University of Technology, where he achieved a Diploma in Land Economy and Valuation Surveying (Hons.).

EXPERIENCE

During his career which spans almost two decades, Mr. Edwards has demonstrated exceptional strength in property management and valuation, with expert knowledge in land divestment, land acquisition, project management and construction. Under his management, Mr. Edwards has led the development and implementation of the Agro-Invest's Land Lease Policy and Procedures to ensure that the Corporation's lease management process is in line with the Government of Jamaica's Land Divestment Guidelines.

In his role as the Property and Fixed Asset Manager, Mr. Edwards is committed to increasing professionalism and ethics whilst fostering an environment of teamwork that ensures strategy is clearly defined while overseeing performance and maintaining morale. He is very passionate about his work and has worked diligently to make sure that the operation of his department supports the Corporation's vision of attracting agricultural investments in the sector.



DR. LILLYMAE WALDER

PROFILE

Lillymae J. Walder serves as Director of Project Development with oversight for Minard Estates farm.

EXPERIENCE

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 of Business Administration and a Bachelor of Science in Computer Science and Mathematics. Lillymae Walder's vision is to support the development of the agricultural sector by creating attractive and bankable projects that will attract and retain investment, strengthen market linkages, and increase access to financing.



ROSE LEVY

PROFILE

Ms. Rose Levy joined the Agro Investment Corporation (AIC) as Chief Financial Officer in 2020 with a wealth of experience in Financial Accounting, Budgeting, Internal Auditing and Managerial Accounting and Administration garnered mainly at the Jamaica Agricultural Development Foundation (JADF) and Seprod Group of Companies.

EXPERIENCE

Her experience in managing the financial aspects of an agricultural enterprise began at JADF in 2003. At JADF, she successfully managed the domestic and international financial affairs of Jamaica's first Marine Farm. She later moved to performing a similar role in respect of the world renown West Indies Sea Island Cotton industry. During her tenure at the JADF, she was instrumental in transforming the accounting function from a manual to a fully computerized system (ACCPAC software), thus bringing about an exponential improvement in the overall efficiency of the organization.

Ms. Levy envisions the Finance and Accounts Department moving from a manual financial system to a fully computerized system (ACCPAC Software). This will improve the turnaround time for the preparation of payments and financial reports. As well as reducing the outstanding receivables by at least 90%.





MRS. ANTHEA RAMSAY-WAISOME

PROFILE

Mrs. Anthea Ramsay Waisome joined the Agro Investment Corporation on June 8, 2020 as Interim Senior Director, Human Resource Management, and Development while on secondment from the Ministry of Industry, Commerce, Agriculture and Fisheries.

Mrs Ramsay Waisome is responsible for directing, facilitating, and monitoring the day-to-day Human Resource Management activities within the Agro-Investment Corporation, supporting the Chief Executive Officer in executing strategic initiatives to attract, develop and retain skilled and productive employees. She holds, a Bachelor of Arts in Guidance and Counselling with Lower 2nd Class Honours, a Diploma in Human Resource Management, and has several certifications in Human Resource and Industrial Relations.

EXPERIENCE

She has over **forty (40)** years' experience in Human Resource Management and is an active Change Agent. Mrs Ramsay Waisome is very spiritual individual who is an active member of the United Church of Jamaica and the Cayman Island (UCJCI) where she has been serving on the Board of Elders for the past seven years. A very involved individual in her community who also undertakes many civic duties, which includes serving as Parents Teacher Association President for four (4) years at the Kensington Primary School, Greater Portmore and later moved on to the Covenant of Mercy ALPHA where she served for approximately four (4) years.

She is a trained Justice of the Peace for the Parish of St Catherine and is married with one child.

Mrs. Ramsay Waisome's vision is to ensure that the Human Resource Management and Development Department continues to provide leadership in shaping an equitable and inclusive culture that drives diversity, excellence, and innovation by supporting talent, engagement, and the employee work experience.



KIMBERLY BILLINGS

PROFILE

Ms. Kimberly Billings educational background includes a Master of Science in Computer Based Management Information Systems (CBMIS) from the Mona School of Business and Management located at the University of The West Indies, Mona and 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, Information and Cybersecurity Management and ESRI's ArcGIS® Server administration just to name a few. Kimberly Billings is a CISCO Certified Network Engineer and possesses a level 2 NCTVET certification in Computer Repairs and Maintenance from the National Tools and Engineering Institute.

EXPERIENCE

As a Systems Administrator/IT Professional, Kimberly Billings has over seven (7) years' experience as a My responsibilities include Information Technology Planning, Infrastructure, Data Management, Information Technology Support and Security.

Ms. Billings' vision is to continue in the quest of utilizing IT-based services to support every aspect of information exchange in AIC to ensure that each employee within the organization is equipped with the requisite modern technologies to connect with all AIC's stakeholders.



ALECIA BROWN-FORBES

PROFILE

Alecia Brown-Forbes joined the Agro-Investment Corporation on March 30, 2020, as Senior Marketing Officer. She is responsible for identifying and establishing marketing opportunities and linkages which will promote investment in the agricultural sector, whilst creating and promoting products and services relating to the organization.

EXPERIENCE

Mrs. Brown-Forbes is a business professional with over 20 years of experience in the areas of Marketing (both local and international), Sales, as well as Business Development, with a passion for Project Management and Event Planning. She holds a Master of Business Administration in Marketing, from the Mona School of Business and Management, at the University of The West Indies, a Bachelor of Business Administration in General Management, and a Diploma in Marketing from the University of Technology, as well as certification in Event Planning.

Mrs. Brown-Forbes envisages development and growth for the Marketing Department and the Agro-Invest through the utilization of several marketing tools to communicate the organization's message effectively and efficiently to stakeholders.



SHERINE SIMMS-LANDELL

PROFILE

Mrs Sherine Simms-Landell is the Chief Audit Executive with responsibility for the Internal Audit Unit. The Unit is responsible for providing full insight and recommendations based on analysis and assessments of financial and operational data and business processes of AIC in accordance with the FAA Act, Public Bodies Management and Accountability Act, relevant funding agency contracts and Generally Accepted Accounting Principles.

EXPERIENCE

She is the holder of a Master of Science in Accounting from the University of West Indies and a Bachelor of Business Administration in Accounting from the University of Technology. She is a highly motivated, proactive, dedicated professional with over twenty-one years audit experience through the assessment of internal controls. She is a strong leader who practices critical thinking and emotional intelligence to train and motivate a team to peak performance.

Mrs. Simms-Landell's vision for the organization is continued growth for the organization. This growth will be achieved through systematic and disciplined approaches initiated to evaluate and improve the effectiveness of risk management, control, and governance processes.

DEPARTMENTAL REPORTS

AGRO PARK DEVELOPMENT

The Agro Park continues to integrate every facet of the agricultural value chain from pre-production activities (land clearing, access roads, irrigation, and drainage) to production, post-harvest handling and marketing. This integration takes place in a public/private partnership framework between the Agro-Investment Corporation, farmers/investors, and marketing entities.

Throughout the 2020/2021 financial year, the COVID-19 pandemic and the third quarter (September-November 2020) heavy rains presented the Agro Parks and Production Zones with several challenges impacting the levels of crop production. Notwithstanding the challenges, the financial year ended with a production performance of 3,649,912.52 kg representing a 28% increase over the 2019/2020 financial year which valued at JA\$ 731.8 million

To ensure that our Agro Parks and Production Zones lost no momentum in production, the Agro Park team, along with Marketing were very active in trying to identify new market linkages. To this end, AIC conducted Jamaica's first ever Drive-Thru Farmers' Market to remove surplus produce from the Agro Parks. More than 20,000 pounds of produce were sold generating over JMD \$1.3 million in revenue. Hundreds of consumers and retailers participated. As time progressed, strong dialogue was maintained with our farmers/investors, suppliers as well as the Ministry on how to proceed during the period of the pandemic.



Stakeholder Partnership - Newport-Fersan Jamaica Limited providing PH and Nutrition Training at the Amity Hall Agro Park

Production of Food

The first quarter of the financial year commenced with an upward trajectory in production with figures of 986,794.64 kg of produce as shown from the graph below. This was however followed by a 10.19% decline in the second quarter. The third quarter saw further decline of 44.61% which was very significant due to heavy rainfalls from September to November of the financial year. This resulted in significant losses across all the Agro Parks. However, during the fourth quarter there were drastic increase of 55.58% when compared to the third quarter of the financial year as shown from the graph below.

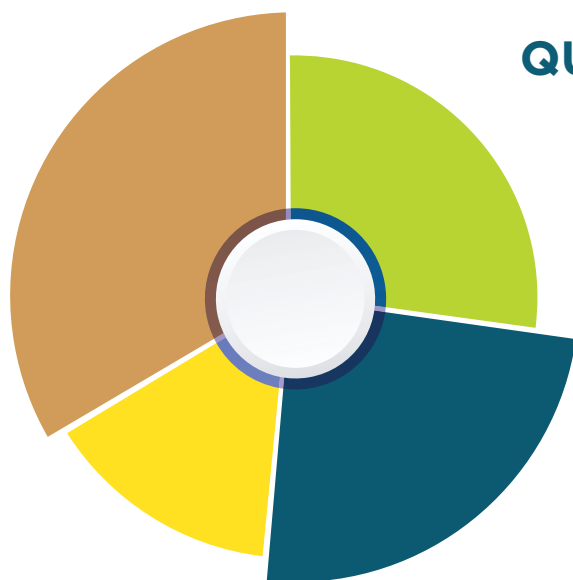
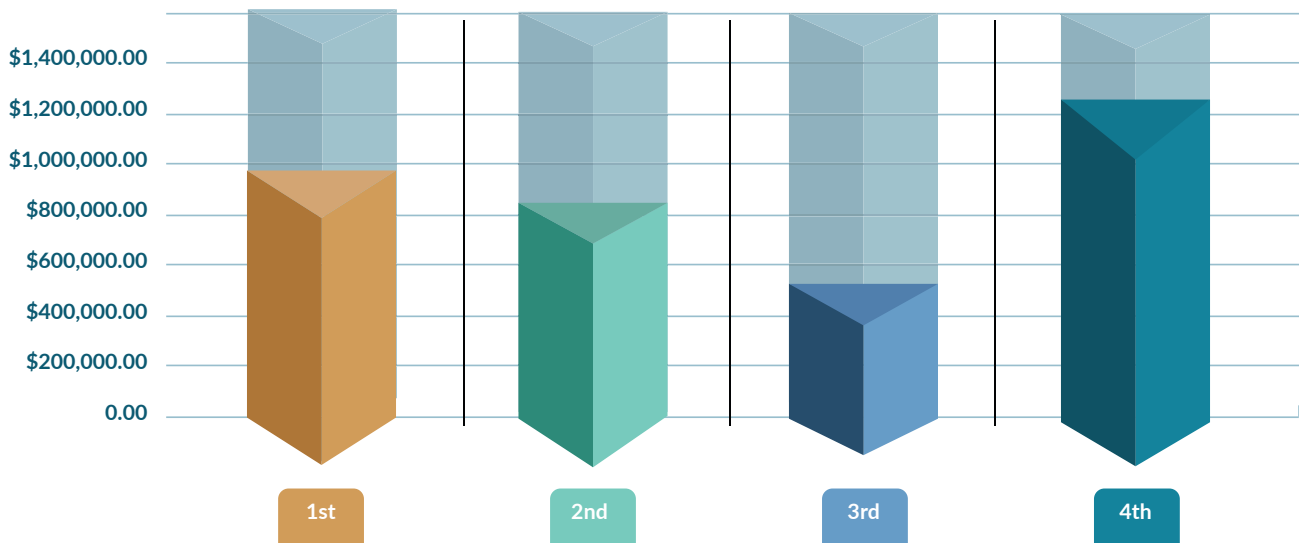
Notwithstanding the losses total production for the year was 3,649,912.52 kg in contrast with 2,627,937.014 kg for 2019/2020 financial period with an additional 445 acres of land put into production.



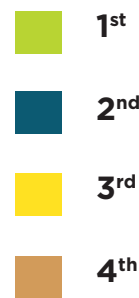


The graph below shows Agro Park Achievement per Quarter (kg)

QUARTER PERFORMANCE (KG)



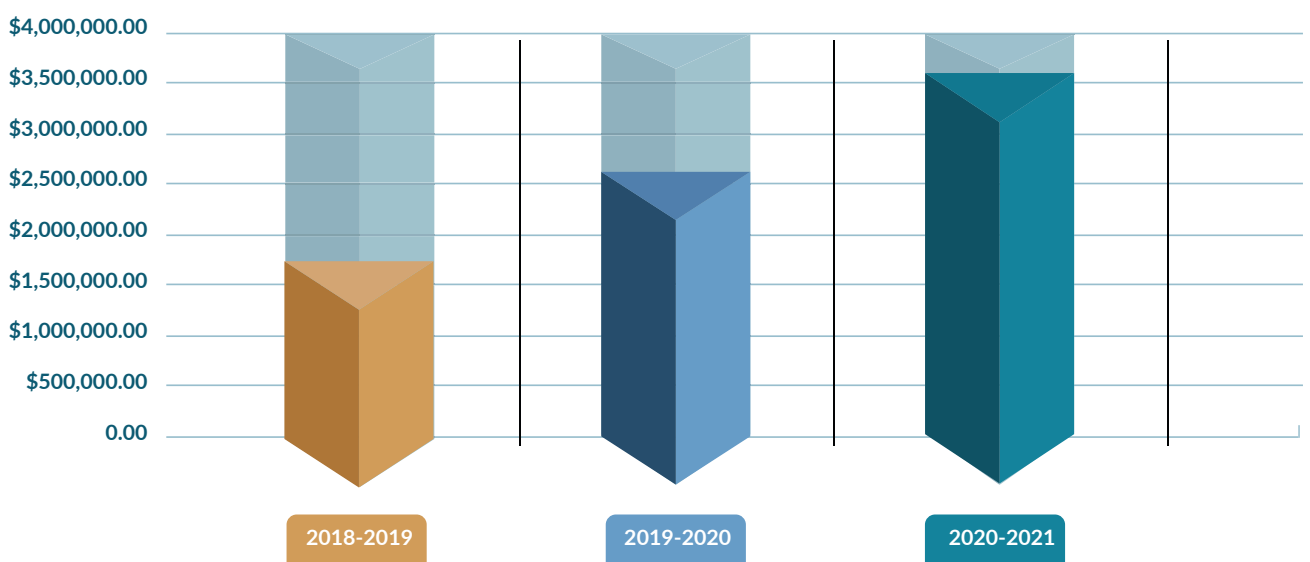
QUARTER PERFORMANCE (%)





Agro Park Team conducting routine checks of produce at the Ebony Agro Park Global Gap Facility, Clarendon

The graph below highlighted the Agro Parks production performance for the financial year 2020/2021, with a yield target of 3,649,912.52 kg. This resulted in a 28% increase over the 2019/2020 financial year. Also increased production has been seen across various crop groups with vegetable production up 30%, herbs/condiments 27%, fruits 32% and root crops & legumes 11%.



GLOBAL G.A.P. CERTIFICATION PROGRAMME

The GLOBAL G.A.P. Certification Programme was introduced to ensure food safety and traceability, thus providing farmers on the Agro Parks with wider market access. This certification includes, Quality Management Systems (QMS), hazard analysis, workers, health safety and welfare, Integrated Crop Management (I.C.M) and Integrated Pest Management (IPM).

Presently 44 farms/farmers are GLOBAL G.A.P. certified from Plantain Garden River and Yallahs (St. Thomas), Ebony Park/Spring Plain (Clarendon), New Forest/Duff

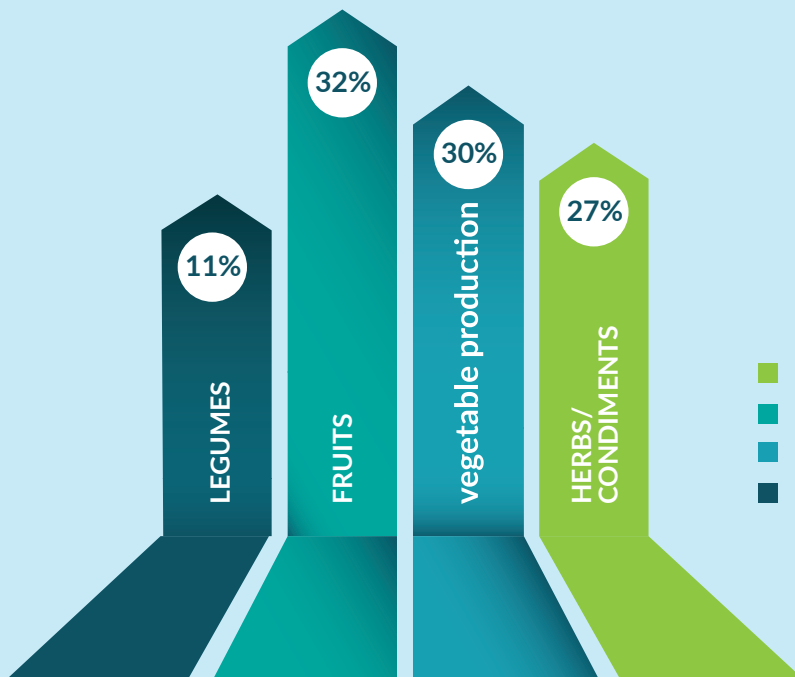
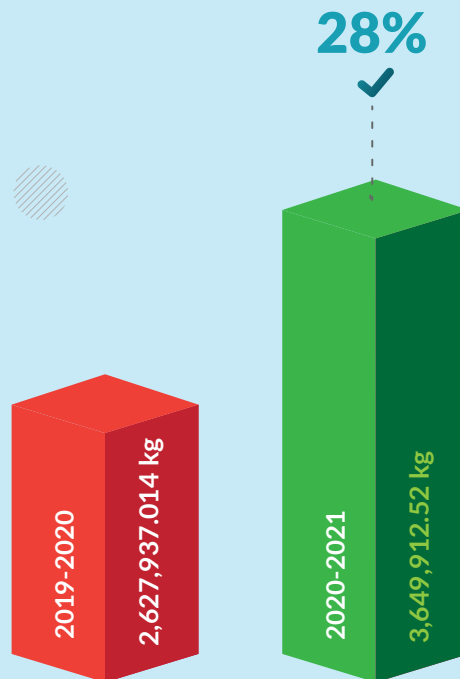
House (St. Elizabeth) and Amity Hall (ST. Catherine). The products that are Global G.A.P certified on the Agro Parks includes: Capsicums (Peppers), Cucumbers, Onions, Pumpkins. Sorrel, (herbs) Sweet Potatoes, Taro, Melon, Tomatoes, Cassava, Cabbages, Carrots, Papayas, Thyme, Okras.

Despite the COVID 19 pandemic AIC guaranteed a six (6) months extension of the Global G.A.P certificates for the Agro Parks by the certifying body (CSQA). This Global G.A.P Certification allows for easier export of several of our production items to foreign markets.

Production Highlights

AGRO PARK DEVELOPMENT

Production Performance for
2020/2021 - 3,649,912.52 kg
representing a 28% increase over the
2019/2020 of 2,627,937.014 kg
Crop production of 3649912.52 kg
valued at JA\$ 731.8 mil



Increased production has been seen across various crop groups with

- vegetable production up 30%
- herbs/condiments up 27%
- fruits up 32%
- root crops & legumes up 11%





INVESTMENTS ON THE AGRO PARKS & PRODUCTION ZONES

The Agro Park & Production Zones facilitates three hundred and thirty-four (334) investors/farmers comprising of 11% women and 15% youth.

There continues to be a tremendous demand for agricultural lands. AIC receives at-least 40 enquires per month. In this regard, all the available lands are fully utilized, and discussions continue with the Permanent Secretary and the National Land Agency for additional acreages.

Stakeholder Partnership

- Commissioning Newport Fersan to provide pH and Nutrition Training for investors at our Amity Hall Agro-Park.
- Calibration and Spraying Equipment Training for investors/farmers of Amity Hall. Training conducted by Hi-Pro to ensure the safe use and best agricultural practices throughout their crop cultivation process.

Technology in Agriculture

The adaption of technology continues to improve the quality of production, increase efficiency, create relevance and sustainability across the various Agro Parks. Throughout the 2020/2021 financial year technology has played a crucial role in the increased production and productivity. Our suppliers in the marketplace continued to introduce the latest machinery and equipment to the Agro Parks and Production Zones which will serve to enhance production and result in lease cost for the number of farmers/investors on the parks. New technology equipment purchased from these suppliers throughout

the financial year were a Hydraulic Bedding Tool provided by Hood- Daniel Wells Co. LTD, and a Precision Calculated Pump to spray chemical fertilizer in the fields.

Social Equality Strengthening

The Agro Park Development Programme continues to support equity expansion in the various parks across the island. The involvement of women and youth investors formed an essential part of this programme. Social equality strengthening has shown a positive impact on the Agro Parks environment by increasing employment and earnings. This also had a significant impact on job creation and the leveraging of opportunities for the vulnerable and marginalized groups.

During the financial year 2020/2021, sixteen (16) youths and women were provided with eighty (80) acres of land, subdivided into five (5) acre allotments across the Agro Parks. AIC through the Rural Agricultural Development Authority (RADA) and the St. Jago Farm Store provided seedlings and vegetable seeds for the new investors. Cluster managers as well as Agro Park managers continued to provide market linkages and technical support.

Projects

Rural Economic Development Initiative, Phase 11 (RED11)

The Agro Park Development department made an application to the Jamaica Social Investment Fund (JSIF), which is the funding agency for the RED11 project. The overall objective of the Rural Economic Development Initiative (RED11) is to improve both the agricultural and tourism sectors, as its overall objective, enhancing



Hon. Floyd Green hands over tractor for the EVAD programme

access to market and strengthening climate-resilient approaches for targeted beneficiaries. The purpose of the project if approved is to enhance eighty-one (81ha) hectares of arable lands with irrigation infrastructure across three (3) Agro Parks (Ebony Park and Spring Plain in Clarendon and Plantain Garden River in St. Thomas).

Southern Plains Agriculture Development (SPAD) Project

The SPAD Project is a collaboration between AIC and the National Irrigation Commission (NIC). The objective of the project is to develop Seven hundred and ninety-four hectares (794 ha) of lands with irrigation, roads, drainage, and administrative buildings to enhance agricultural production. The project areas are Amity Hall, Bridge Pen (St. Catherine) and Parnassus (Clarendon).

Under the project Component 1: three (3) wells have been completed, drilling yielding above 400 L per secs or 30,000 gals per day. These wells are in the Parnassus area of Clarendon. Also under Component 2: Final Engineering designs were completed for irrigation system development, drainages, and road infrastructure.

Essex Valley Agriculture Development Project (EVAP)

The EVADP is a collaboration between the Agro Investment Corporation and the National Irrigation Commission (NIC). The objective of the project is to fully develop seven hundred and fifty hectares of lands with irrigation, roads, drainage, and administrative buildings.

Under the project Component 1: five (5) productive wells were drilled at locations:

- Sea Air South
- Text Well
- Bent Town Central
- Bent Town South
- New Forest West

However, there are 210 cubic metre/hr short fall of irrigatable water, for the project area. Final engineering design for the irrigation system development, road and drainages infrastructure had been completed and submitted to the Caribbean Development Bank. AIC subsequently has established a Matching Grant Steering Committee (MGSC), which will be evaluating business plans submitted by new investors. Additionally, the Agro Park department has developed a technology proposal which was submitted to the Project Manager of both the SPAD and EVADP projects. The objective of the proposal is to enhance the capacity building of the farmers.



SPAD Project - Sensitization meeting with investors



Property & Fixed Asset Department

PROPERTY & FIXED ASSET

Agro-Invest is the administrator of over \$3.8 Billion Dollars of state-owned properties. The Property Management process is a key component in assisting AIC to fulfil its mandate. The Property and Fixed Asset Department is a team with overall responsibility for lease administration and oversight as well as the day-to-day property management activities of AIC's portfolio. These activities include rental negotiations, insurance negotiations and payments, property tax compliance and liaison with maintenance contractors to ensure proper upkeep of our properties. This team also ensured that our properties are leased at optimal rate and occupancy levels to meet the financial targets of the portfolio.

The assets under the department's portfolio include lands, buildings, machineries, and equipment. AIC's real properties are the Agricultural Marketing Corporation (AMC) Complex; its outstations (Wait-a-Bit, Trelawny; Christiana, Manchester; Browns Town, St. Ann; Darliston, Westmoreland and Guys Hill, St. Catherine); Agro-Parks and the Production Zones.

Agricultural Marketing Corporation Complex (AMC)

The complex was designed to ensure that there is a cost-effective marketing infrastructure in place to enable producers and exporters of non-traditional agricultural produce to access and compete in the domestic and foreign markets. The facilities available include warehouse, chill room and office spaces.

The complex is approximately 104,084.70 sq ft. (9,669.79 sq. m) and at the end of the reporting period for financial year March 2020/2021, approximately

85,848.12 sq. ft of warehouse and 11,247.7 sq. ft of office space were leased. There are currently twenty-four (24) tenants occupying office and warehouse spaces. Approximately nine of these tenants are Agro-processors for the export market, while the remainders are involved in different trading and packing activities.

The main warehouse block on Level 1, estimated at 4,552.24 sq. m (49,000 sq ft) which was slated for complete renovation to meet the Food and Drug Administration (FDA) and other international food safety requirements, has been put on hold due to the lack of budgetary support and the planned divestment of the complex.

New Investors

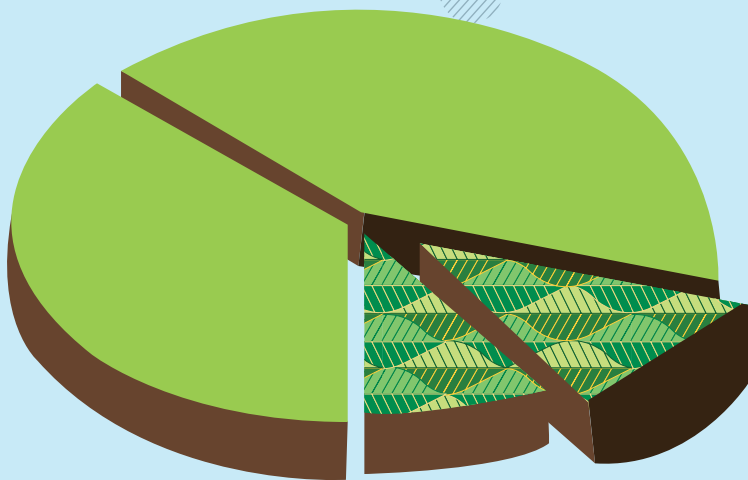
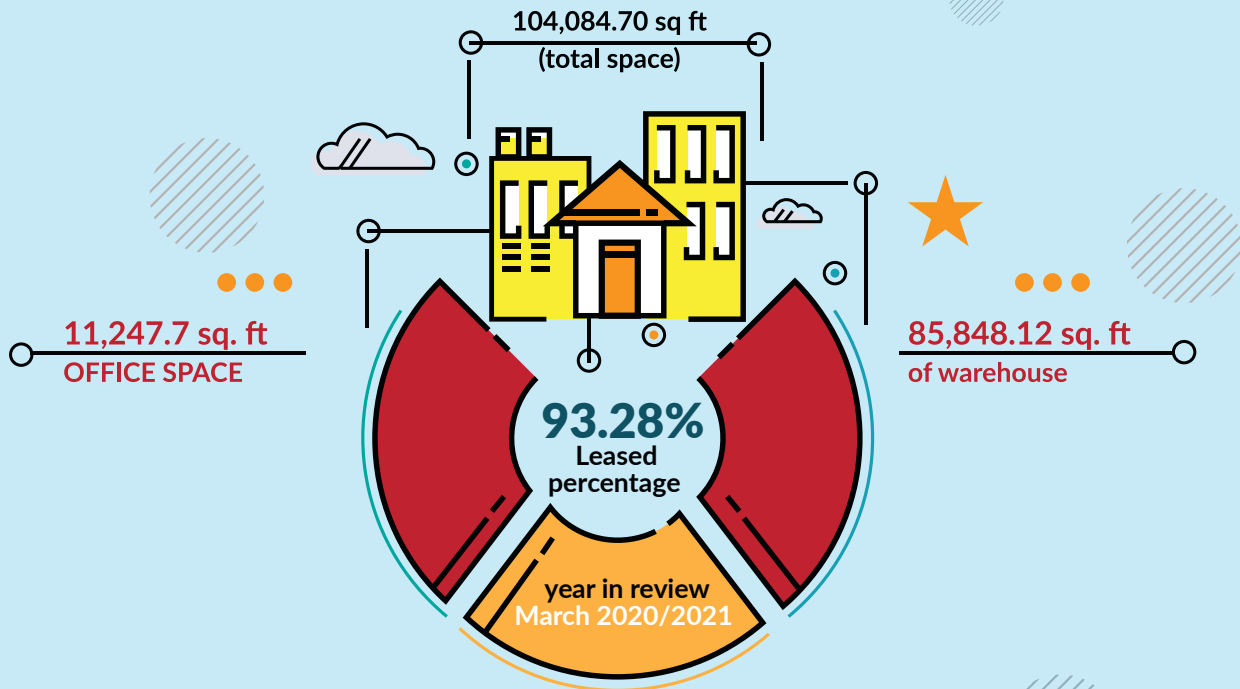
The previous reporting period peaked at a total of 3,884 acres of land leased. In contrast, the current reporting period ended with 4,872.87 acres leased. The current reporting period showed an increase of 25.46% and a contribution of Eight Million One Hundred and Forty-Nine Thousand Four Hundred and Sixty Dollars (\$8,149,460.00) in revenue.

New Land

During the reporting period, the Property and Fixed Asset Department had successfully negotiated the acquisition of sixteen (16) new properties totalling 5,040 acres with a projected earning potential of \$17,000,000.

These included Non-Such, Unity and New Pen, St. Mary, Lennox and Lower Leyton in Portland, etc. Agro Invest is working with other entities such as Rural Agriculture Development Authority, National Irrigation Commission, Agriculture Land Management Division to develop the properties into production zones.

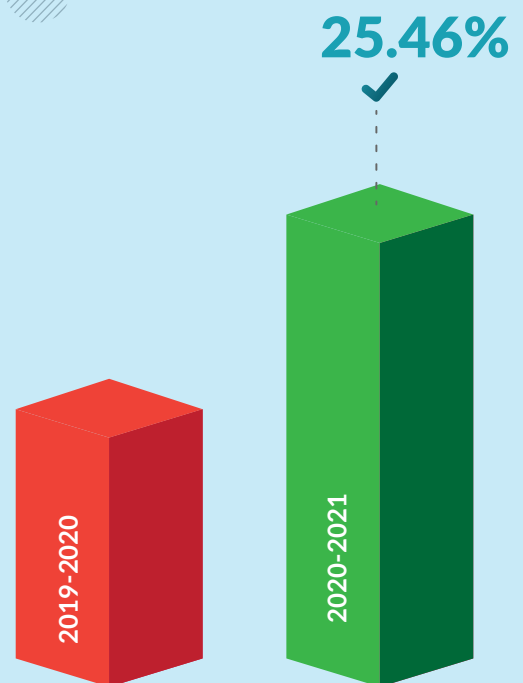
Property/Warehouse Space AMC COMPLEX



3,884 acres of land leased in 2019/2020
4,872.87 acres leased in 2020/2021.

Increase of 25.46% and a contribution of
(\$8,149,460.00)

Eight Million One Hundred and Forty-Nine Thousand
Four Hundred and Sixty Dollars in revenue.
(PROPERTY & FIXED ASSET DEPARTMENT)



16 NEW PROPERTIES

totalling 5,040 acres

with a projected earning potential of \$17,000,000 (PROPERTY & FIXED ASSET DEPARTMENT)



5,040 acres

\$17,000,000

Aerial View of the AMC Complex

The establishment of these new production zones will enable Agro-Invest to target investment opportunities in new crops or ventures such as small ruminants. Additionally, the development of production zones in strategic locations will be an incentive to potential investors who have expressed difficulties over the year as it applied to the location of the current Agro-Parks.

PROJECT DEVELOPMENT

In keeping with the Agro Invest mandate, the Project Development Department will continue in its pursuit of creating new business opportunities and support the Corporation's vision.

Throughout the years the Project Development Department has sought to optimize the products and services to create agribusiness opportunities within the sector. The main services provided are:

- The Identification of investment opportunities and viable projects to stimulate investments in the agribusiness sector.
- Guidance to potential investors through the stages of the investment process up to the project implementation.
- Acknowledgement of prospective and existing investor's queries, and investment advice, business counselling, technical and marketing support services when required.
- Establishing and maintaining strategic alliance with stakeholder agencies and other service providers.

For the financial year 2020/21 initiatives worked on included business cases, concept notes, agribusiness plans and grant proposals.

Agribusiness Plans

Eleven (11) bankable agribusiness plans were developed for private investors; these plans assisted investors to select lucrative agribusiness opportunities and market demand crops. This is an improvement over the financial year 2019/20 when five (5) agribusiness plans were developed as shown in figure 1.

Sx (6) of the eleven (11) business plans are in varying stages of implementation, as we continue to monitor the other investors.

The successful implementation of these plans will contribute approximately JMD 955 million of capital investment to the agricultural sector.

BUSINESS PLANS COMPLETED

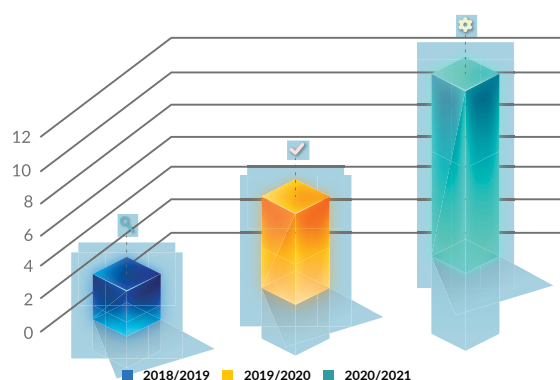


Figure 1 showing business plans completed for period 2018/2019 -2020/2021



Partnership established with Food for the Poor to acquire Rotary Tillers for Amity Hall Agro Park



Project Development Department

Project Proposals

As for project proposals, thirteen (13) were developed; four (4) of which are highlighted herein:

A. Agro-Investment Corporation proposal to address the impact of COVID 19 on the Agro Parks

The objective of this project is to enable investors on the Agro Parks to continue and/or improve their production and productivity as a response to the onset of COVID 19. A project proposal was submitted to many funding sources including the Production and Productivity Committee of the Ministry of Agriculture and Fisheries. Agro-Invest received **JMD 3.1 million** to support the equipment component of this project, including the procurement of rotovator, bedding tools and irrigation hose.

B. Minard Estates Farm Pasture Development and Maintenance Project

A project proposal was submitted to the Jamaica Dairy Development Board (JDDDB) to fund the conversion 58 acres of forest and commons into grazing pastures at Minard Estates Farm. Consequently, the JDDDB has agreed to partner with Minard Estates farm to develop 34 acres of mulatto grass.

C. Holland Agro Economic Zone Development Plan 2020-2022

The Holland Agro Economic Zone Development Plan outlines the appropriate strategy for the development and management of the Zone, which is envisioned to be the central point for agribusiness development in the parish of St. Elizabeth. This development plan includes a pilot zone consisting of 260 acres of land for crop

production. The indicative budget to execute this plan is JMD 317 million. We are in dialogue with the Ministry of Agriculture and Fisheries and stakeholders to expedite this project.

D. Holland Cattle Production Zone

A project proposal was developed in partnership with the Jamaica Dairy Development Board to address the issue of communal grazed cattle at the Holland Agro-Economic Zone. The proposal aims to formalize and develop 500 acres of lands that have been designated for cattle grazing, augmented by fodder banks. The project includes the implementation of perimeter fencing, land clearing, planting of fodder, among other measures, to mitigate against the risk of crop damage, financial losses and produce contamination. The capital cost of the project is JMD101 million. Conditional approval was given for 40 acres of forage production, pending the full project approval.

Concept Papers

Four (4) concept papers were developed for the reporting year, these include:

- **PGR Production Zone Expansion**

A concept note was developed with the objective of acquiring 600 acres of land in the Plantain Garden River cane-growing area, adjoining to the PGR Agro Park to execute an alternative income generating initiative. The indicative budget to execute this project is JMD 415 million. Several meetings were held and Agro-Invest was assigned only 145 acres of land to be placed under production.

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- **Agricultural Landowner Match Programme and Application Form**

The Agricultural Landowner Match concept note was developed to capture and manage

information submitted to Agro-Invest by private landowners who are interested in finding clients for agricultural development. This initiative aims to improve agricultural land utilization and boost agricultural production and productivity. This project is currently being implemented.

Business Cases

Two business cases were developed, they are highlighted below:

- **Business Case for Minard Estates**

This business case examines the appropriate modality for the development of the Minard Estates Farm. It addresses current business concerns, the benefits of the project, recommendations, and alternatives for privatization. The initial capital investment required by an investor to start the development using the existing operational concept is approximately JMD 114.8 million.

- **Business Case for Coleyville Industrial Complex**

This business case examines the rationale for a public-private-partnership development of the Coleyville Industrial Complex Warehouses #1 and #2 into a modern Irish Potato Storage Facility. The document was submitted along with a pre-feasibility study to the Jamaica Social Investment Fund (JSIF) as part of the Potato and Onion Producer Association of Jamaica's (POPA) REDI II Component 2 application.

Contracts/ MOU

An MOU was signed with the Jamaica Promotions Corporation (JAMPRO) to establish a formal framework to guide collaborations between JAMPRO and Agro-Invest when developing and promoting agricultural investments. Currently, both teams are collaborating to develop

Investment Opportunity Profiles which will be used to promote and attract investments in the sector both locally and internationally.

Investment Profiles Highlight

In carrying out our mandate to identify and package investment opportunities for investors, during the year 2020/21, the department developed/updated six investment profiles in addition to the ten already completed. These profiles are being used as lead magnets and to provide information regarding the current investment opportunities in the primary production of crops. The profiles developed are highlighted below:

- Cannabis
- Minard Estates Farm
- Dasheen
- Hot Pepper
- Goat
- Pineapple
- Callaloo

GRANT FUNDING APPLICATIONS

Agro-Investment Corporation applied for funding to the Rural Economic Development Initiative (REDI II) Component 2 project. The request for funding, if approved will see the expansion of existing Irrigation infrastructure at the Spring Plain, Ebony Park, and Plantain Garden River Agro Parks to cover 81 ha (200 acres) of land. The procurement and installation of this new component will be managed by the NIC. The indicative budget to execute this project is JMD 54.9 million. The project was shortlisted and has been sent to the final approval committee.

In partnership with Rural Agricultural Development Authority, an application for the REDI II Component 2 was submitted on behalf of the Potato and Onion Producer Association of Jamaica (POPA) to refurbish

Investment Profiles Developed

Cannabis

Hot Pepper

Dasheen

Minard Estates Farm

Goat

Pineapple

Callaloo



11 | bankable Agribusiness Plans developed,



13 | Project Proposals



4 | Concept Papers



2 | Business Cases developed



6 | new Investment Profiles developed



1 | MOU signed with Jamaica Promotions (JAMPRO).

the Coleyville facility in Manchester. The refurbishing of this facility will increase the capacity of farmer groups and community cottage industries to market and diversify products, among other things. The cost to carry out the project is JMD 224.5 million; however, the request made to REDI II is JMD 179.6 million.

The project was shortlisted, and a second-tier assessment letter sent to POPA in March 2021.

TECHNICAL ASSISTANCE APPLICATIONS

Agro-Invest submitted a request to a Non-Government Organization (NGO) for technical assistance for farmers on the Amity Hall Agro Park. The Agro Park received ten Rotary Tillers, five of which will be delivered in FY2021/2022. The farmers that are using the Rotary Tillers have reported that they have seen improvement in production yields and decrease production cost, while, Agro Invest has seen overall improvement in the productivity of the park.

Overview

37 | BUSINESS OPPORTUNITIES





MINARD ESTATE

Minard Estate Team



The Minard Estates Farm in Brown's Town St. Ann is the genetic bank for the three local beef cattle breeds: Jamaica Red Poll, Jamaica Black, and Jamaica Brahman. The Agro-Investment Corporation envisions a center of excellence that conserves and develops the cattle industry through continuous genetic improvement, the addition of new genetics through artificial insemination (AI), embryo transfer (ET) and bull/cow purchase) and the dissemination of seedstock (weaners, heifers, and young bulls).

As a purebred cow-calf operation, Minard Estates Farm sells registered/registerable weaners and other classes of cattle annually. To generate weaners, the cows are exposed to bulls for three months beginning April of each year. Within 50 - 60 days following the end of the breeding season, pregnancy tests are done with the desired conception rate being 80% percent.

The farm generally participates in agricultural shows four times per year to highlight the quality stock that is present on the farm. These events provide Minard Estates with an opportunity to display its achievements and contribution



to the sector. Unfortunately, due to the impact of COVID 19, the farm was unable to participate in such events.

Over the previous financial year, Minard Estates have successfully improved the development of its pastures. To this end, pastures are chopped, cleared, recovered, and seeded to ensure the availability of large volumes of nutritious forage to support the herd.

The plans and priorities of Minard Estates Farm are:

- To preserve the integrity of the three breeds of cattle: Jamaica Brahman, Jamaica Black and Jamaica Red Poll while making a positive return on investments
- To provide adequate pasture exposure/ optimal grazing opportunities to the herds
- To supply the beef cattle sector with prime seed stock
- To reduce the stress of cows and prepare them for next calving and earn revenue to Agro-Invest through sales
- To promote/display the three breeds of cattle: Jamaica Brahman, Jamaica Black, and Jamaica Red Poll
- To assess the quality and conditions of each of the three breeds of cattle

As of March 31, 2021, the farms' livestock inventory was 409, with two bulls being on loan.

Cattle Sales

The sale of seedstock continues to be the biggest

income generator for Minard Estates Farm, with 48 animals being sold in the financial year 2020/21; however, this is 54 less than the previous financial year FY2019/20. The decrease in seedstock sale is due to the retention of an increased number of animals for the breeding herd. In addition, a delayed breeding season in FY2019/20 because of the drought in the years FY2018/19 delayed calving and subsequently weaning.

Seedstock sale is seconded by unserviceable animals (undesirables from all cattle classes) sale with 27. This sale figure reflects the efforts that are being made to expand the breeding herd.

Cattle Valuation

Cattle stock values as of March 31, 2021 (JMD 37,987,313 M), shows a 9.21% increase when compared to the value as of March 31, 2020; (JMD 34,785,225 M). The increase in value can be largely attributed to the 26.9% increase in inventory.

The herd inventory increased by 26.9%, from 320 in March 2020 to 406 in March 2021. Increases in stock classes ranged from 11.8% to as high as over 400%. The number of breeding cows; (March 2020 – 163 cows; March 2021 – 182 cows) showed a moderate increase of 11.7% in March 2021.

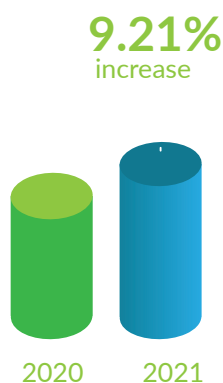
Cow Herd Replacement

The replacements of unserviceable cows present an opportunity to improve the genetic characteristics of the cowherd. Minard Estates has acknowledged that importance and is strategically finding ways to improve

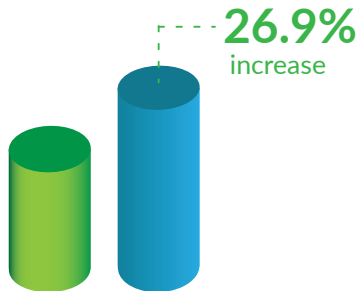
MINARD'S CATTLE STOCK VALUE

Cattle stock values as of March 31, 2021 (JMD 37,987,313 M)

when compared to the value as of March 31, 2020 (JMD 34,785,225 M)



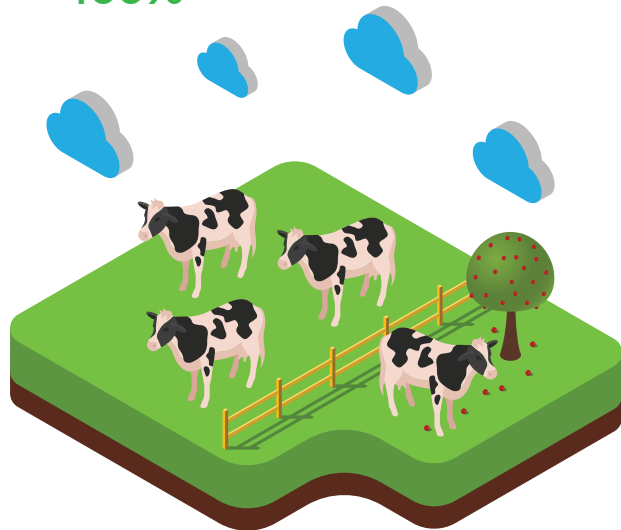
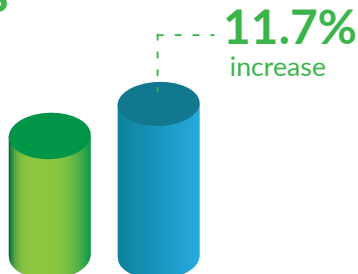
MINARD'S CATTLE HERD INVENTORY



Increases in stock classes ranged from **11.8%** to as high as over **400%**

In

BREEDING COWS



the genetic pool of its animals.

A total of 26 cow calves born in the FY2019/20 have been retained for the 2021/22 breeding season and 30 retained from the 2020/21 calving for the 2022/23 breeding season (see figure 3). This is a step in the right direction for future cow herd expansion, considering the limited sale of cows.

the FY2021/22, Minard Estates will be utilizing Artificial Insemination (AI) to improve its genetic pool. Preparations for the introduction of AI is in advanced stages, and implementation will begin April 2021.

Loan Bull Scheme

The loan bull scheme involves the loaning of bulls to

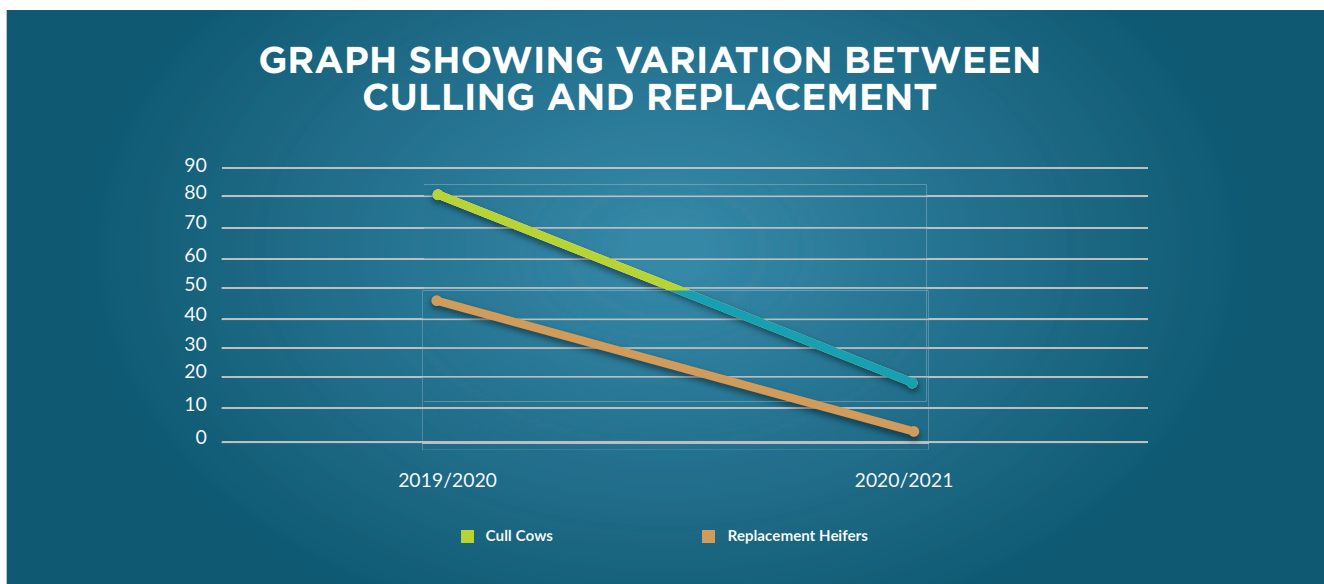


Figure 3 showing the variation between culling and replacement of cows



Finance & Accounts Department

qualified farmers for natural mating. This service is an integral part of the genetic improvement program aimed at producing animals with improved productivity.

In the FY2020/21, Minard Estates loaned two bulls (a Jamaica Red Poll and a Jamaica Black) based on requests made from two local farms. It is hoped that through these loans, the bulls will be used to improve quality and add variety to assigned herds through the introduction of tested and proven genetics. Conversely, the estate will gain access to new bloodlines through loan bulls to widen the gene pool on the farm.

With the increasing demand of semen, Minard Estates Farm has partnered with the Bodles Research Station to collect, process, and store semen from bulls on the farm. At present one, Jamaica Black bull is located at the Bodles Research Station.

Pasture Maintenance and Fodder Conservation

Through the partnership with the Jamaica Dairy Development Board (JDDDB), the ten acres of Mombasa fodder bank, established in the FY2019/20, has been maintained to ensure the continuous availability of large volumes of nutritious forage.

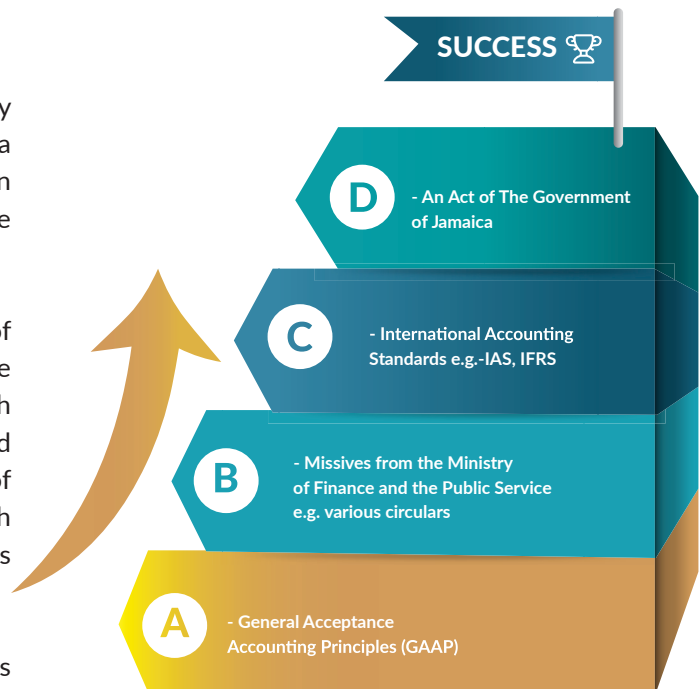
The fodder bank is utilized to make silage (a type of fodder made from green foliage crops which have been preserved by acidification, achieved through fermentation), which is then stored and will be utilized during periods of drought. Furthermore, the quality of the grazing pastures has enhanced significantly through the improvement in fertilizing, pasture cleaning and grass planting.

Minard Estates has also benefitted from continuous fence maintenance, which directly contributes to pasture

rotation. These practices have resulted in adequate pasture rest periods, thus, reducing overgrazing to extend the productive life of pasture at Minard Estates Farm.

FINANCE & ACCOUNTS

The Finance and Accounts Department has been instrumental in effectively managing the Corporation's long-term, medium-term, short-term, and day-to-day monetary operations and strategy. The team has placed emphasis on incoming and outgoing payments, budget creation, cash management (treasury), accounting, financial reporting and many other tasks related to the finances of the corporation.



ACHIEVEMENTS OF THE DEPARTMENT TO DATE

ACCPAC software fully implemented.

My HR Plus payroll software fully utilized.

The Appropriations -In-Aid for the Corporation for the year stood at 89.3% (Collections from land leases, rental and other recoverable).

Financial reports completed and submitted on time.

Up to date statutory deductions paid on time.

Up to date GCT payables submitted on time.

All reports to MOAF submitted on time.

Active debt collection drive initiated to collect outstanding receivables.

Payment plans put in place to reduce outstanding receivables.

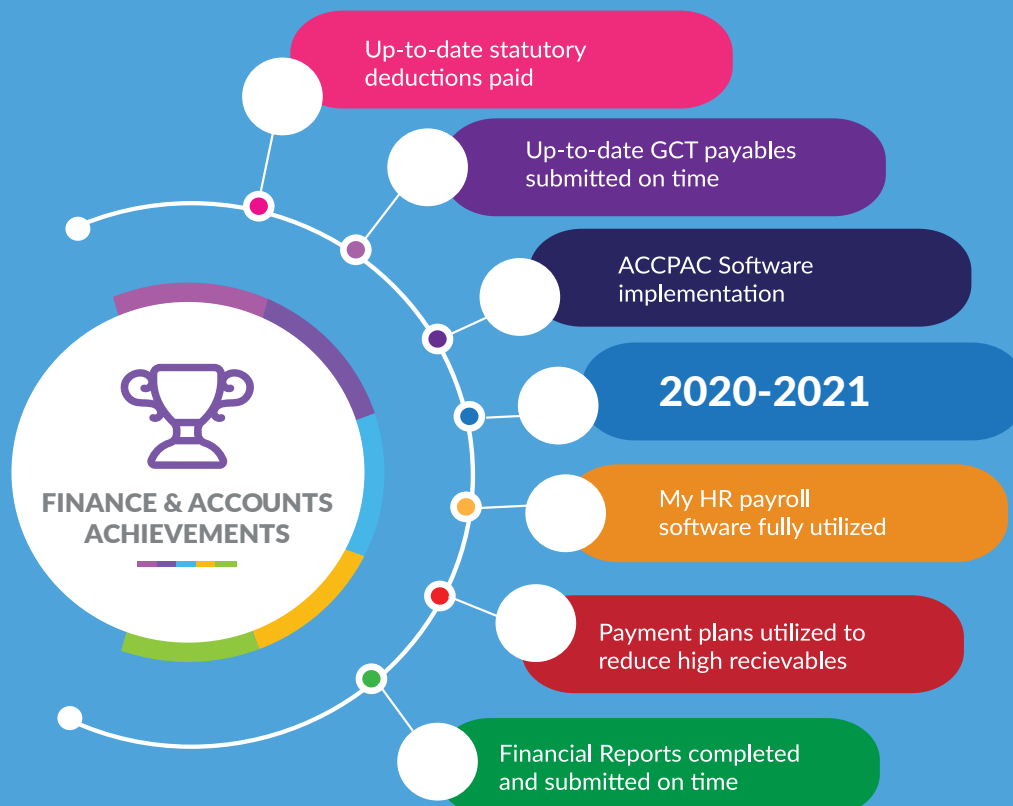
Ongoing budgetary and financial support for all internal departments to achieve measurable outcomes. (The finance andAccounts department manages the approved budget for all the various departments)

The Department assists the Corporation in meeting its strategic goal and accomplishing its objectives. The department is also relied upon to provide data relating to Budgets, Cash Flows and expenditure needed for forward planning, governance, risk management, internal control, and timely departmental and corporate intervention.

WHAT IS OUR AUTHORITY?

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

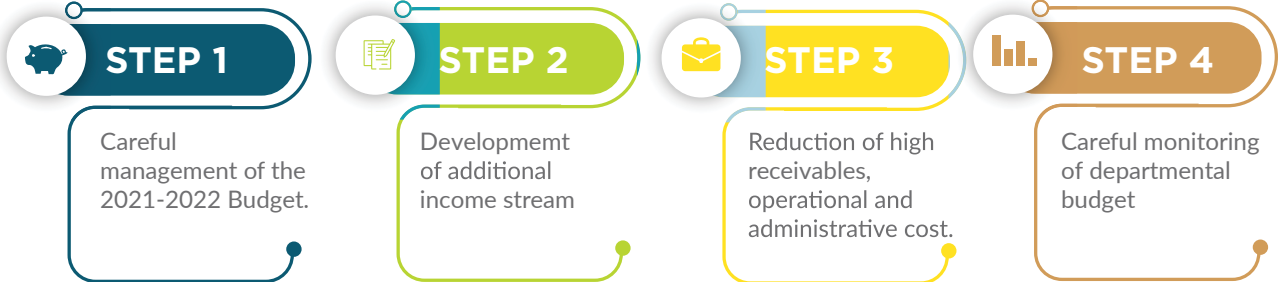
At present the functionaries include:



STRATEGIC PLANS FOR THE FINANCE AND ACCOUNTS DEPARTMENT

In charting the way forward, the Department seeks to strengthen its operational responsibilities by conducting the following to fully computerize the Finance and Accounts Department

STRATEGIC PLANS



HUMAN RESOURCE MANAGEMENT & DEVELOPMENT

The Human Resource Management and Development Department has primary responsibility for managing and directing human resource needs of the organization. These functions include dealing with all employee related matters, policy administration, recruitment process, benefits administration, training, and development.

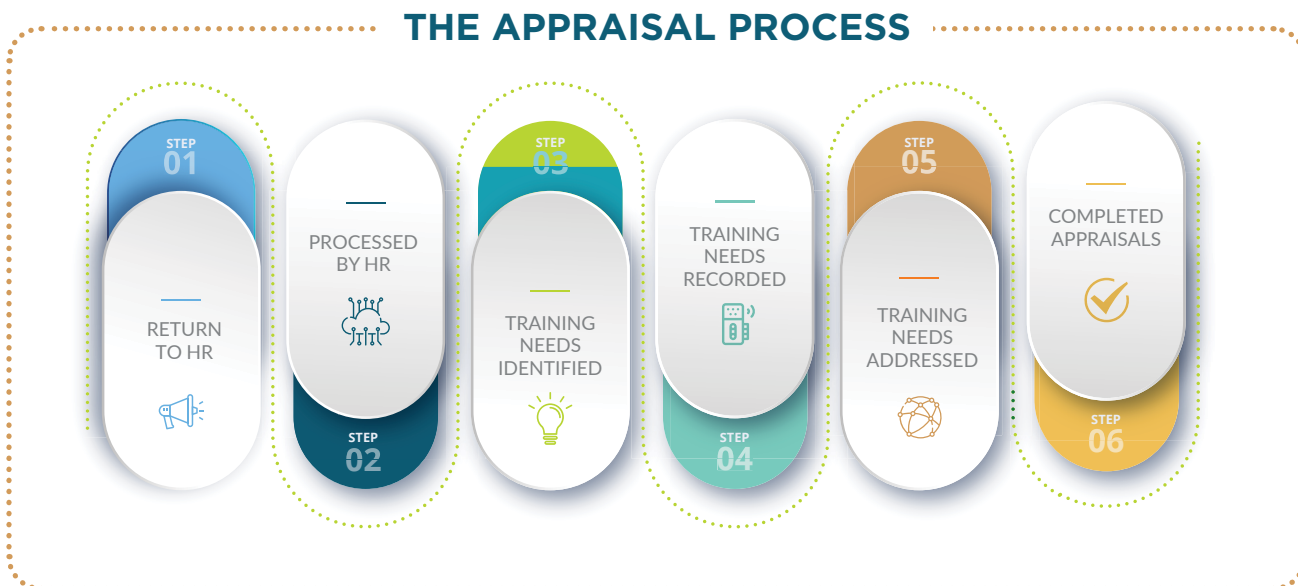


The Human Resource Management and Development Department works closely with all departments to provide support and respond to their needs. We endeavour to continue to work together to create a more outstanding work environment for all employees. We will continue to work proactively to ensure our people practices are congruent with AIC’s mission, vision, and culture.

Performance Appraisals

Efforts were made to remain vigilant in ensuring that employee appraisals were processed in timely manner, as such, requests were sent to the respective Directors one (1) month prior to the due date of the appraisals.

When necessary, reminders were sent to ensure that outstanding evaluations were submitted in a timely manner. The process will not end until the completed appraisals are returned and processed; and training needs identified, recorded, and addressed. To this end, thirty-five (35) Performance Appraisals were completed for the Financial Year 2020/21.



Training and Development

In consultation with the Heads of Departments, a training need assessment was conducted, and a training plan developed. From the training plan ten (10) persons were targeted to be trained in various areas to achieve set goals and objectives.

For the financial year 2020/21 a total of thirty-two (32) persons were trained in different areas such as Customer Service, Global G.A.P (food safety), Grant Funding and Proposal Writing and Leave Management.

Orientation

New Employees Orientation is an ongoing task conducted as necessary on the first day, after paperwork is completed, to begin employment. For the reporting period three orientation Sessions were held to aid in the on-going sensitization of AIC's policies and procedures. This is in addition to the four (4) orientation sessions held for new employees.

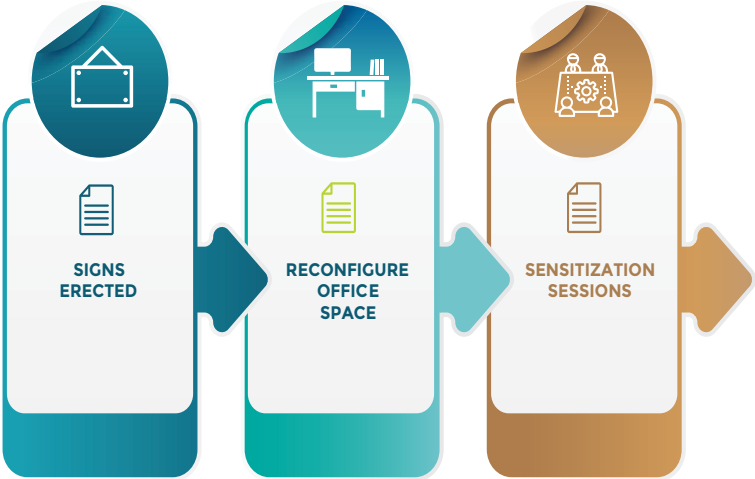
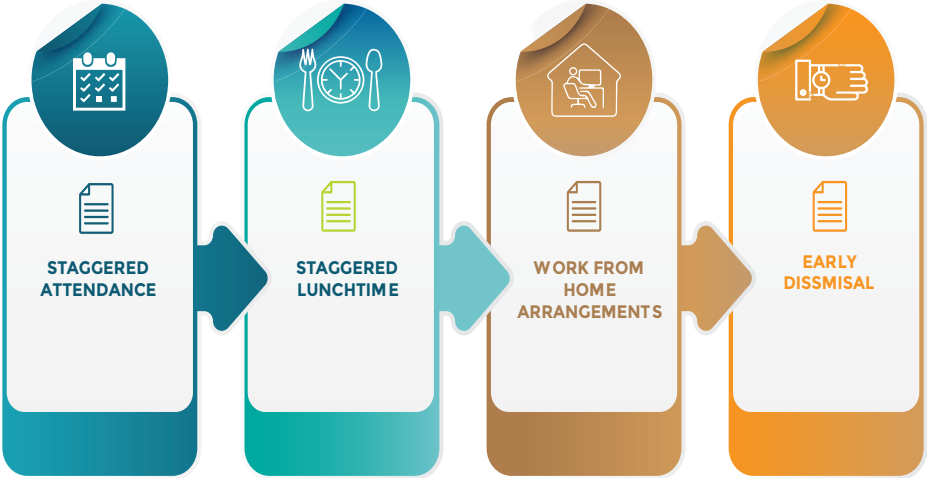


Recruitment, Selection and Employment

Each time an opening exists, a request is made to fill the position. Each request is unique to the position and initiates a discussion regarding the recruitment timeline, advertisement sources, minimum qualifications, and selection of the interview panel. During the financial year 2020/21 we planned to recruit seven (7) persons however, eleven (11) persons were employed to fill vacancies. This is due to resignations and non-renewal of contracts.

Occupational Health and Safety

With the onset of the COVID-19 pandemic, the Human Resources Department implemented several measures which were monitored and updated as necessary, to include:



Social Events

To boost employee satisfaction, and provide synergy and retention, several activities were planned however, as a result of the World Pandemic COVID-19 we were only able to achieve one (1) such activity. The main hinderance was the availability of the required space to hold events while adhering to instructions in relation to social distance and the number of persons allowed to gather.

Notwithstanding this, we are implementing new ideas of participation in a virtual space.

Impacts of COVID-19

To be resilient is the ability to recover quickly from difficulties and that is exactly the word that comes to mind to describe Agro-Investment employees.

We had three (3) officers affected by COVID 19. Despite the three cases, we continue to show perseverance and dedication everyday by providing exceptional services to the Corporation's investors/customers. HR is incredibly proud to support such talented dedicated and hardworking employees.

As we continue amid the pandemic, I would like to leave with you this quote by Charles R Swindoll "Life is 10% what happens to you and 90% how you react to it."

Human Resources Capacity Plan demonstrates the medium to long term human resource capital needed to equip the Corporation to effectively achieve its strategic objectives.



HR TRAINING For 2020/21

32

persons were trained
in different areas such as:



Customer Service



Global G.A.P (food safety)



Grant Funding and Proposal
Writing & Leave Management



HR ORIENTATION AND NEW RECRUITS

4

ORIENTATION SESSIONS

11

PERSONS EMPLOYED
TO FILL VACANCIES



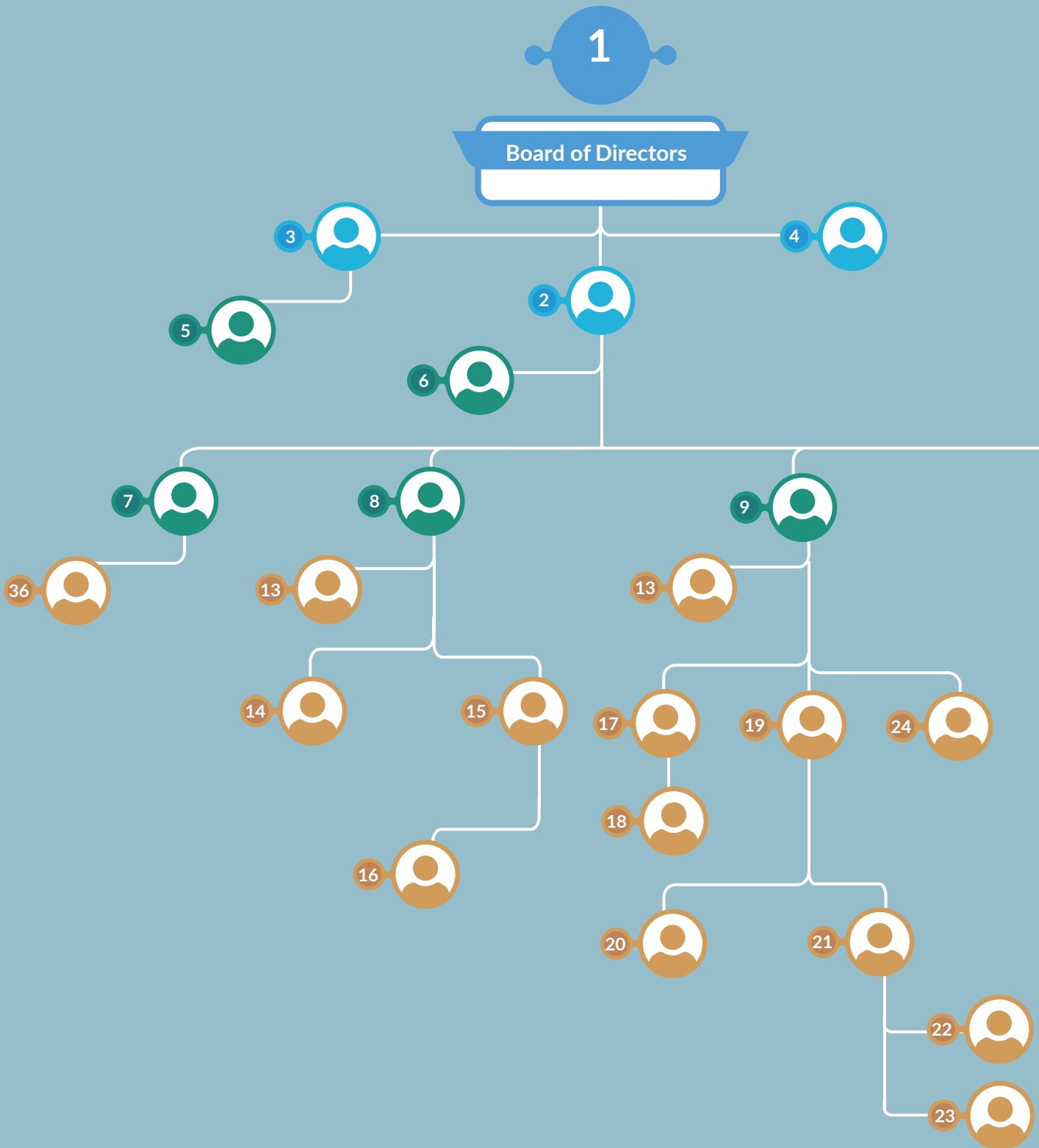
Agro Park Team

Human Resource Management & Development Department

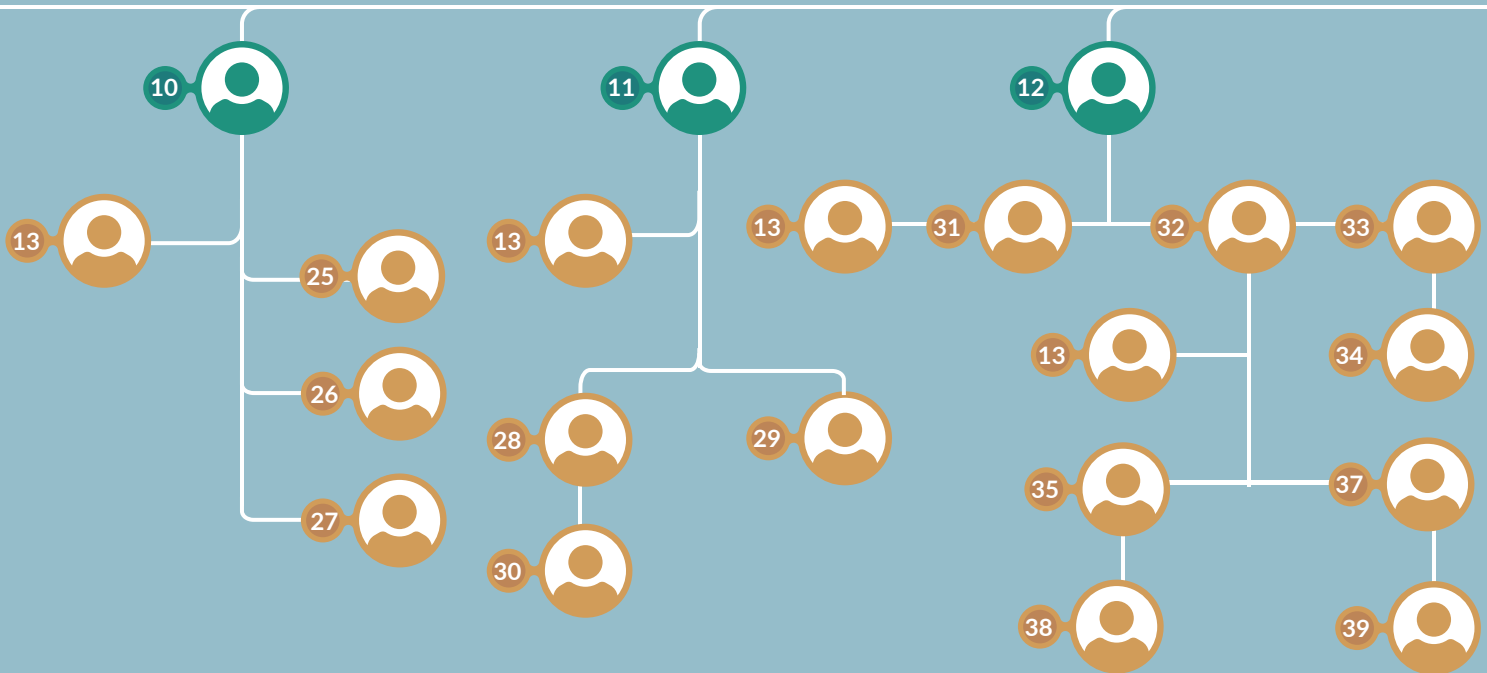


ORGANIZATIONAL STRUCTURE

ORGANIZATIONAL CHART



- 1. Board of Directors
- 2. CEO
- 3. Internal Audit: Senior Internal Auditor
- 4. Company Secretary
- 5. Auditor
- 6. Executive Assistant
- 7. Information Technology
- 8. Director Human Resource Management & Development
- 9. Finance & Accounts CFO
- 10. Agro Park Development Director
- 11. Property And Fixed Asset Management Manager
- 12. Project Development Director
- 13. Administration Assistant
- 14. Human Resource Officer
- 15. Office Administrator
- 16. (N) Driver, 2 Office Attendants, Telephone Operator, 2 Cleaners
- 17. Procurement Manager
- 18. Procurement Officer
- 19. Manager (Payroll, Payables, Receivables)
- 20. Payroll Officer/ Accounting Technician
- 21. Accountant
- 22. Receivables Clerk
- 23. Payables Clerk
- 24. Budget Monitoring & Compliance Manager
- 25. Farm Management: 4 Farm Managers (1N)
- 26. Cluster Coordination: Coordination (N)
- 27. Technology Transfer 2 Specialists (N)
- 28. Facilities Administrator (N)
- 29. Property Officer (N)
- 30. Maintenance Technician: 2 Handyman, Caretaker
- 31. Marketing: Senior Marketing Officer (N)
- 32. Minard Farm: Farm Manager
- 33. Investment & Business Management: Business Facilitation Manager
- 34. 4 Investment Officers
- 35. Herd/Breeding Supervisor
- 36. System Administrator
- 37. Pasture Supervisor
- 38. 4 Livestock Attendants,
- 39. Tractor Operator, 5 Casual Workers



MARKETING COMMUNICATIONS

As Agro-Invest continue to make great strides in the agricultural sphere, creating a stronger bond with investors became paramount to AIC in achieving its mission of undertaking market development through packaging agribusiness opportunities towards a sustainable agricultural sector. As such, key strategies such as digital marketing, marketing communications and public relations were utilized to not only create awareness but also to engage stakeholders with the aim to establish marketing opportunities and linkages which will stimulate further investment in the sector.

For the year in review there were several marketing activities undertaken to assist AIC in achieving set objectives for the year. Some of which were:

Jamaica 's Very First Drive-Thru Farmers' Market

For many farmers, the year 2020 would have been a year of plenty. A year where there would be plenty to harvest and plenty to earn. Then came COVID-19. A pandemic that created a huge economic fall-out both domestically and internationally for farmers' agricultural produce. Agro-Invest saw the impact of the pandemic on investors and developed an initiative to collaborate with farmers and purveyors across the country in getting excess fresh produce sold. The result was, Jamaica 's VERY FIRST 'Drive-Thru' Farmers' Market, hosted by us at our AMC Complex on April 29 and May 1, 2020.

Our Agro-Parks with its Global G.A.P Certification in food safety along with other certified farms were the suppliers of the fresh vegetables and ground provisions. These were packaged in 20- and 25-pound bags and sold for \$1000.00 and \$1500.00, respectively. More than 20,000 pounds of produce were sold generating over JMD \$1.3 million in revenue. The venture was successful as the customer support was remarkable. Many persons praised our efforts of creating a practical model that was genius in achieving the planned initiative.

News Features

Agro-Invest in the News

Over 8 news features and stories were carried throughout the year in print, online and electronic media highlighting the work of the Agro-Invest as well as our investors.

- One significant News Feature highlight for 2020, was the filming series, dubbed 'The Business of Food' organized in conjunction with the Public Broadcasting Commission of Jamaica (PBCJ) highlighting the investors on the Amity, Ebony, and Spring Plain Agro Parks. The series were developed over the course of three months and sought to showcase the production and efficiency levels of the investors on the Agro-Parks. Several farms were toured by the PBCJ news team and investors were interviewed, detailing their farming schedules, the crops they cultivated, the markets they sold their produce to whether domestic or international as well as their overall daily activities on their farms. The series received thousands of views on YouTube and Instagram which certainly brought an increased number of prospective investors to the doors of Agro-Invest seeking investment opportunities.
- Another great News Feature highlight for 2020 was the visit to Mr. Gary Coulton's farm by the then Minister of Agriculture, Industry, Commerce and Fisheries, the Hon. Audley Shaw. Mr. Coulton is one of our largest investors on our Spring Plain Agro Park, located in Clarendon. The visit involved viewing the packing process of Mr. Coulton's West Indian Red Peppers and to discuss the contribution of such relationships to the agricultural sector. Some 10,000 pounds of this pepper is sold to Grace Food Processors each week for value-added products, such as jerk products and sauces. Persons present at the viewing were, the Hon. Audley Shaw, CEO of Agro-Invest, Dr. Al Powell, past Chairman of the Agro-Invest Board Mr. Vitus Evans, Mrs. Maureen Denton, General Manager of GK Foods & Services.

Also, present were a cadre of media representatives from the PBCJ, JIS, Jamaica Observer, and Gleaner Company, to share in as well as promote the significant occasion.

- For 'International Women's Day' one of our female investors received great highlight in the Jamaica Observer, captioned 'I challenge for the love of my children'. Govinda Fisher has been working steadily for several years trampling gender barriers in agriculture with the assistance of the Agro-Invest. She has been provided with land, tractor service and technical assistance amongst other services.

Social Media & the Agro-Invest Website

With an upward movement in digital marketing a strong virtual presence is advantageous towards reaching target audiences. The Agro-Invest consequently committed to increase its social media presence during the year and our social media platforms grew consistently for this financial year. The followers on Instagram surpassed the target of 950 followers to reach a total of 2,236, representing approximately 145% growth. The growth in Facebook was also significant reaching over 1300 followers.

Visits to the Agro-Invest website reached over 6,000 visitors during the period. This therefore led to an increase in the lead generation and conversion rates monthly for products and services.

Agro-Invest Advertisements

More than 20 print advertisements have been placed during the period. This included advertisements relating to Land/Property Lease, Packaging Facility Lease, The Agricultural Landowner Match Programme, World Food Day, 40 Acre Parcel Investment Opportunity, Eat Jamaican Day, Minard Estate Cattle Sale and Farmer's Month. Other print advertisements were on Agro-Invest Tractor Services and articles published in the Agriculturalist and Farmers' Almanac.

Radio Interviews/Talk Show Segments

A total of 6 radio interviews were done and 9 appearances on talk show programmes throughout the period by several employees of AIC. A wide range of topics were discussed which includes, AIC and its mandate, the Agricultural Land Match Programme, The Southern Plains and Essex Valley Agricultural Development Projects (SPAD & EVADP), The Agro-Parks and their operation, Establishing Group Clustering and Co-operatives for Investors on the Agro-Parks, How our Project Development Department works to secure Grant Funding for Investors as well as Outstanding Investors on the Agro-Parks and their production and productivity levels. The interview segments were organized to create more awareness for the products and services offered by AIC and all the employees who participated did exceedingly well in their delivery of information.

Public Relations Events

As the Agro-Invest continues to improve on its mandate, considerable achievements were attained and several public relations events were undertaken to signify the completion of major developments, some of which were:

- Partnership established with Food for the Poor under a Technical Assistance Initiative launched by our Project Development Department to acquire Rotary Tillers for our Amity Hall Agro-Park to improve the production and throughput levels of our investors. The tillers since received have been put to great use and has been instrumental in converting hard soil into useable seedbed.
- Commissioning Newport-Fersan (Jamaica) Limited to provide PH and Nutrition Training for investors at our Amity Hall Agro-Park. This initiative was organized by the Agro-Parks Department, on a mission to ensure that our investors are adequately equipped with the technical training needed to enhance their agribusiness.
- Another venture organized by our Agro-Parks team was that of a Calibration and Spraying Equipment Training for investors of Amity Hall conducted by Hi-Pro Jamaica. The training offered multiple skill enhancements and assisted in ensuring that investors use safe and best agricultural practices throughout their crop cultivation process.
- Minard Cattle Sale held in March 2021, the public was invited to view and submit bids for purchase of animals from our Minard Estates Farm in Brown's Town, St. Ann.

MARKETING HIGHLIGHTS

AGRO-INVESTMENT CORPORATION
ANNUAL REPORT





Jamaica's Very First Drive-Thru Farmers' Market 2020

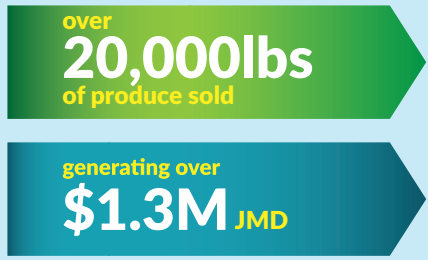


The Hon. Audley Shaw's visit to Gary Coulton's farm to view packing of peppers - Spring Plain Clarendon

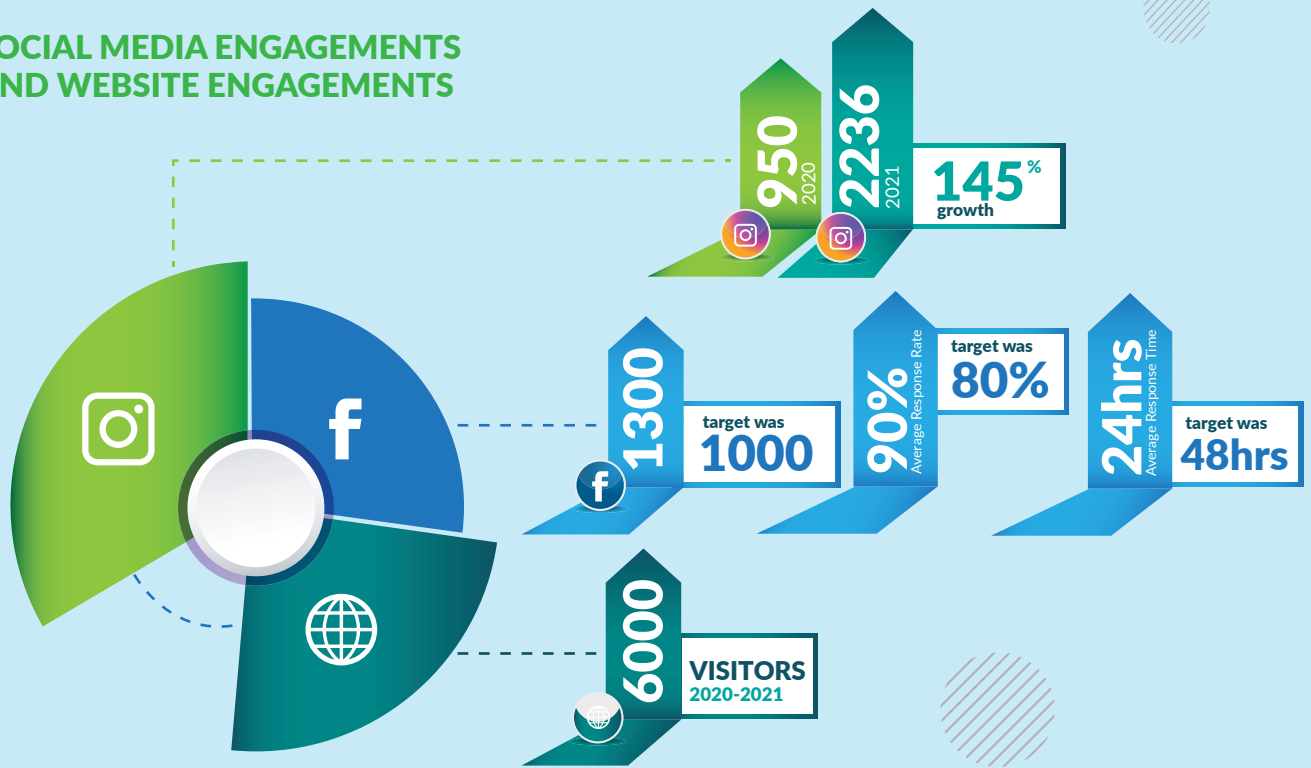


Marketing Stats

DRIVE-THRU FARMERS' MARKET DATA



SOCIAL MEDIA ENGAGEMENTS AND WEBSITE ENGAGEMENTS



8 News Features

8 Press Releases

20 Agro-Invest Advertisements

6 Radio Interviews

9 Talk Show Segments

4 Public Relations Events

2 Signage

1 Market Linkage Contract/
Arrangement - representing over
2.5million pounds of produce

58 TOTAL MARKETING ACTIVITIES

Dr. Powell visits farmers at the Spring Plain Agro Park in Clarendon after Oct/Nov 2020 Heavy Rains



Hon. Floyd Green, CEO Dr. Powell and the Agro Invest's Team visit Ebony Agro Park after Oct/Nov 2020 Heavy Rains



Signage

Two aluminium double-sided signs were constructed and erected at the Agro-Invest Corporate Office during July 2020. One 8X4 feet sign to act as a locator for the premises as well as a 4X6 feet sign that provides visual representation of the type of organization that AIC exemplifies. Both signs were needed as they have thus far provided enhancement for the property.

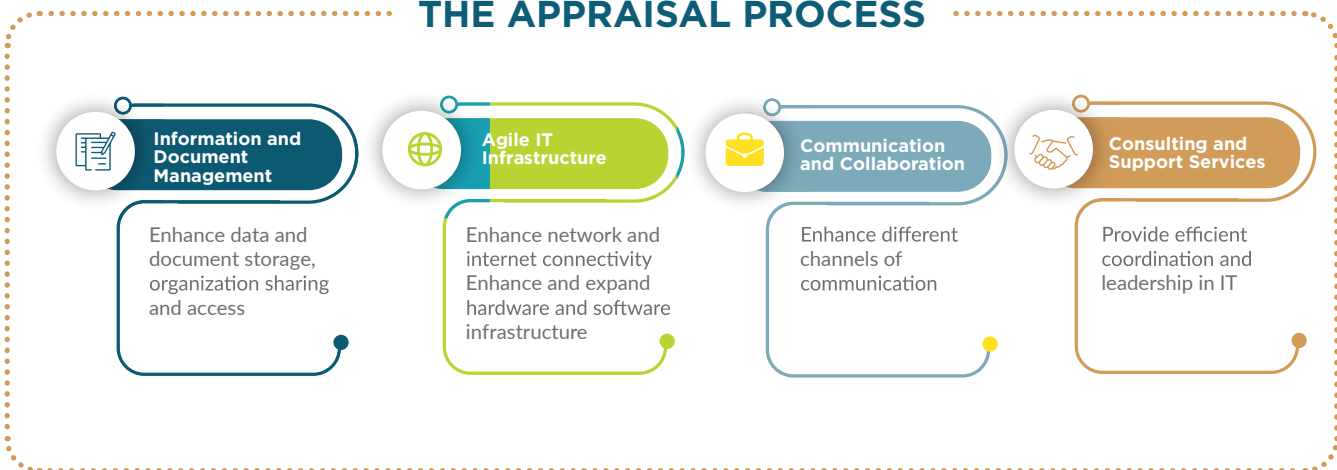
Marketing Linkages Established

Arrangement formalized between the Agro-Invest and Walkerswood Caribbean Foods to have investors on the Agro-Parks supply escallion and hot peppers (West Indian Red and Scotch Bonnet) to the Agro-processing company. This agreement will have Walkerswood purchasing nearly 2.5 million pounds of produce combined over the period of a year.

INFORMATION TECHNOLOGY

IT-based services support almost every aspect of information exchange in AIC as the staff depends on modern technologies to connect with all our stakeholders. The Information Technology (IT) Department is one of the units within the broader Corporate Governance Department and 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 department worked on achieving its four (4) major goals for the financial year. Multiple initiatives and programs were implemented in assisting AIC to achieve its corporate mandate.

THE APPRAISAL PROCESS



AIC's website is under continuous improvement in terms of content, design, and visibility. Since the pandemic has forced the world into adopting a digital strategy, AIC has invested in IT infrastructure to ensure connectivity and secure remote work for our staff. Additionally, there are more projects in place to increase access speeds, capacity, and security of our network.



Notable ICT Projects for the FY20/21

While the past year was challenging for the unit, they were also some notable accomplishments that had system-wide impact.

Cloud VOIP

An efficient business telephone system streamlines good communication between AIC and its clients. Understanding the different technologies along with the goals of AIC is important in determining an efficient telephone system that facilitates growth and service features, and value-added services at no extra cost. Our analog PBX was replaced with a Hosted VoIP System. The objective was to improve communication both internally and with our valued clients as well as offer flexibility and scalability.

Disaster Recovery as a Service (DRaaS)

Our recently implemented hybrid cloud-based disaster recovery as a service helps us to mitigate the downtime caused by any technology related disaster. The hybrid approach will enable us to recover servers whether locally or in the cloud, enabling our users to access data and critical applications from a temporary production site while the problem is being resolved.

Office 365

This enhanced our communication and collaboration and was a positive addition in the onset of the pandemic. We have been able to assist staff in remote work with the tool provided in the office productivity cloud and the experience so far has been a rewarding one. This is especially important for our Agro-Park managers who work out in the field to be able to access emails and files from anywhere and from any device.

INTERNAL AUDIT

The Internal Audit department's primary function entails assisting the Corporation in fulfilling its mandate which involves regular audits of all business operations. Operational audits conducted 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. Outlined below are activities undertaken by Internal Audit for the 2020/2021 financial period.

TARGET	ACTUAL	NUMBER
Review and update of Audit Committee Charter and Audit Committee Evaluation.	Updated Audit Committee Charter and Audit Evaluation ratified by the Board of Directors.	1
Annual Internal Audit Unit develop and approve by the Audit Committee and Board of Directors.	Annual Internal Audit Unit developed and approved by the Audit Committee and Board of Directors.	1
Four (4) Internal Audit Reports to be completed and submitted to the Audit Committee for discussions and Audit Resolutions passes to strengthen the internal controls.	Four (4) Internal Audit Reports submitted to Audit Committee and Audit Committee Resolutions issued.	4
Two (2) Performance Audit Reports completed and submitted to the Audit Committee for discussions and Audit Resolutions passed to strengthen the internal controls.	One (1) Performance Audit Reports completed and submitted to the Audit Committee for discussions and Audit Resolutions passed to strengthen the internal controls.	1
One (1) Special Audit Report completed and submitted to the Audit Committee for deliberation and Audit Resolutions which will strengthen the internal controls.	One (1) Special Audit Report completed and submitted to the Audit Committee for deliberation and Audit Resolutions which strengthen the internal controls.	1
Fifteen (15) Audit Recommendations made for strengthening internal controls within AIC.	Twelve (12) audit recommendations made to strengthen internal controls within AIC.	12
Fifteen (15) internal control breaches noted, and corrective action taken.	Fifteen (15) internal control breaches and corrective action being taken to address breaches.	14

Achievements

- Updated AIC Fixed Assets Listing
- Audit recommendations made to strengthen AIC's internal controls.

OUR OUTSTANDING EXPORT PARTNERS AT THE AMC COMPLEX

CARIBBEAN ISLAND DISTRIBUTORS LIMITED

Caribbean Island Distributors Limited is a premier exporter to international markets for over ten years with its dynamic leader and proprietor Sandra Campbell. As a veteran weekly exporter whose market is primarily in the United States, Caribbean Island Distributors has seen tremendous growth and development with export of a wide variety of fresh produce such as yellow yam, dasheen, fresh turmeric, negro yam, scotch bonnet and West Indian red peppers to name a few. Products exported by the company are of high quality and their competitiveness in the export industry is growing exponentially.



Sorting and Packing Process of yam and dasheen at Caribbean Island Distributors Limited

The company also exports a wide variety of non-perishable products such as canned ackee and callaloo, sauces and snack items. Due to high demand from the US market, the company has had to expand their export volume from one pallet weekly to several forty (40) ft containers on a biweekly basis. A central production and distribution facility has been established in Miami, Florida from where distribution takes place to all areas of the United States.

Ms. Campbell declares that Caribbean Island Distributor's five-year plan includes establishing new markets in the United Kingdom and Canada which will inevitably lead to growth for the Jamaican economy.

Caribbean Island Distributors credit the bold efforts and support of the Agro Investment Corporation for its tremendous role over the years in helping to maintain standards and procedures that gives them a competitive edge in both sectors of the export market. Caribbean Island Distributors, also laud the work of the farmers and manufacturers island-wide for producing quality products and look forward to continued partnerships with these key players to establish consistency across both sectors.

CAPSICUM EXPORTS LIMITED

Capsicum Exports is a family-owned company that engages in the processing and exporting of agricultural and manufactured products to the Cayman Islands, United States and United Kingdom. The family has been in the export business for some 30 plus years and started in the fisheries industry. Changes in the regulations of seafood processing, forced the family to leave the fishing industry and reinvent themselves to commence exporting fresh and manufactured products. Fresh produce includes hot peppers, sweet potatoes, yams, bananas, and pumpkins. Capsicum Exports also supply their overseas customers with products from Cal's Manufacturing Limited, Peak Bottling Company Limited, Island Spice Limited as well as a mixture of other products from companies such as Sampars Cash & Carry Limited.

Capsicum conducts business directly with farmers on the Agro Parks as well as other farmers and purveyors across the island and operates exclusively from the Agro Investment Corporation's AMC Complex. The Managing Director, Trevaun Welcome has expressed that on average four (4) to eight (8) containers per month are shipped to the various trading locations.

Mr. Welcome has expressed that his company's main goal is to spread the Jamaican brand across the world whilst supplying the Jamaican Diaspora with a 'Taste of Home'. He also stated that historically Jamaica is always focused on traditional crops and minerals but believes there is a growing demand for Jamaica's ground provisions, fruits and vegetables. His personal goal as Managing Director is to create a sustainable income for himself, his family and staff as well as working in conjunction with the Agro-Investment Corporation in increasing the country's ability to generate foreign exchange.





OUR PACKAGING/ PROCESSING PARTNER IN COLEYVILLE MANCHESTER

MID-ISLAND PACKAGING & PROCESSING COMPANY LTD (MIPPCO)

Mid-Island Packaging & Processing Company Limited operates from the Agro-Investment's Packaging and Processing Facility in Coleyville, Manchester. The company is a registered agricultural marketing entity which was incorporated on September 14, 2014, subsequently commencing operations in October 2015. MIPPCO has been guided by its stated vision to "become a leading investor in the agriculture value chain sector by forming beneficial and profitable partnership and linkages with smallholder farmers and other key stakeholders in Jamaica and overseas".

Since their inception, MIPPCO have sought to effectively purchase, process, package, market and ensure a sustainable market for local agricultural produce, such as onion, sweet pepper, romaine lettuce, sweet potato, Irish potato, pumpkin, scotch bonnet pepper, carrot, ginger, and turmeric to name a few of the root crops, herbs and vegetables sourced from Manchester, Clarendon, St. Elizabeth and St. Catherine, where contractual arrangements are forged with suppliers. MIPPCO exports its produce both fresh

and processed to the United States, United Kingdom, Canada, Cayman Islands and other Caribbean countries. Mid-Island Packaging & Processing Company Ltd aims to provide agricultural produce of superior value using improved production, excellent supplier relationships and seamless innovations to connect with their consumers both locally and internationally. MIPPCO strives to provide multiple benefits in a cost-effective manner through a team of competent employees whilst preserving the integrity of the company by meeting all standards. Customers include, retailers, exporters, vendors, supermarkets, processors, hoteliers, purveyors as well as Agro-processors. The company on average ships two (2) containers twice weekly to meet growing demand.

To ensure a solid relationship with local farmers and the C&WJ Cooperative Credit Union formally St. Elizabeth Co-operative Credit Union Limited (STECCUL), a tripartite agreement/ contract was established. As a result of this agreement, local farmers can acquire loans from C&WJ Cooperative Credit Union to assist them in the purchasing of essential farming Equipment material and inputs while MIPPCO offers a reliable and economically competitive market for their produce as well as training in treating their farming as a business (eg: record keeping; cost of Production etc. This agreement has provided much needed support to famers within the environs of St. Elizabeth.

MIPPCO's medium to long term plan entails expanding into new export markets. This will be done on a phased basis and with the intention to enhance job creation opportunities for females and youths within the environs of the business. The company has set its goals and is committed to working together with the Agro-Investment Corporation to assist in building a sustainable agricultural sector.



ACCOUNTS RECEIVABLES HIGHLIGHT

The Finance and Accounts Department of the Agro Investment Corporation is charged with the responsibility of managing its Accounts Receivable portfolio. This includes tracking receivables, outstanding invoices, and initiating collection actions.

For the Financial year 2020-2021 the collections of outstanding receivables were affected greatly by the Covid - 19 Pandemic and the heavy rains that affected the Island. The two main revenue generated areas land lease and rentals, saw a reduction in collections due to the closure of the hotel and tourism industry. Stake holders (farmers and tenants) were unable to service their monthly rental and lease obligations which saw a rise in the outstanding receivables portfolio.

The Agro Investment Corporation was proactive in their endeavours to collect some of the outstanding funds by staging the first “Drive thru Farmers Market” at the AMC Complex over three days. This provided some funds for the farmers to make their lease payments. AIC also embarked on a series of Collection Drives across the various Agro Parks along with short-term payment plans as a means of strengthening the stakeholder’s relationship. This practice has now become a critical strategy due to its effectiveness.

HISTORY OF MINARD ESTATE

The Minard and New Hope Estates were among the earliest estates to be established in Brown’s Town, St. Ann. The estates became renown in Jamaica because of the work of Dr. Thomas Lecky. He was responsible for developing four (4) breeds of Cattle for the Jamaican farmers. His work in this regard brought Minard and by extension Jamaica to the attention of the world.

Minard was a farm primarily used for grazing cattle. It also produced coffee and pimento. By 1882 this estate and the New Hope Estate comprised 1,794 acres of which 506 acres were in Guinea Grass, 1,144 acres in common pasture and pimento and another 150 acres in wood and ruinate.

The property has two great houses, The Minard and New Hope Great Houses. Minard Great House, regarded as a fine example of early 18th century Jamaican Architecture was destroyed by fire in 1997. Originally, the building had two story comprising of cut stone and plaster construction. Today, the upper level no longer stands, and the ground floor of the Great House remains in ruins. Vegetation has taken over a great portion of the ground floor’s cut stone construction and is currently holding the structure together in some areas. The New Hope Great House is constructed of cut stone and is of a typical Georgian architectural style (1714-1837). Simplicity in construction was achieved through a basic rectangular design, repetition of floor area on levels, symmetrical axis and a hip roof.

Much has changed at the Minard and New Hope Estates over the years, but its significance has remained as an important agricultural site. It is still used for rearing and breeding of beef cattle, and the annual staging of the Minard Livestock Show and Beef Festival; with the Great Houses being a reminder of era when the plantocracy ruled supreme.

Minard Estate



Current Activities

Currently Minard Estates Farm in Brown's Town St. Ann is the genetic bank for the three local beef cattle breeds: The Jamaica Red Poll, Jamaica Black and Jamaica Brahman. The Agro-Investment Corporation envisions a centre of excellence that conserves and develops the breeds through continuous genetic improvement (the addition of new genetics through artificial insemination (AI), embryo transfer (ET), loan bull and bull/cow purchase) and the dissemination of seed stock (weaners, heifers and young bulls).

As a purebred enterprise, Minard Estates Farm primarily sells registered/registerable weaners and young bulls annually. To animals for sale, the cows/heifers are exposed to bulls in single sire herds for three (3) months beginning April each year or bred via artificial insemination (AI). Forty-five to sixty (45-60) days following the end of the breeding season cows are

pregnancy checked with the desired conception rate being eighty (80) percent or greater. The following year January and beyond the calves from this breeding are born with weaning commencing in November that same year. Thereafter weaners are analysed, replacements are held, and the excess sold. Replacement bulls are placed a one hundred and forty (140) days gain test for further evaluation and are normally appraised before a final decision is taken to retain individuals as future sires. While the replacement heifers are developed on pastures for further evaluation and following appraisal a final decision is taken whether individuals will enter the breeding herd. Also, to showcase the quality stock present on the farm, exemplary individuals are displayed four (4) times per year at agriculture shows with The Denbigh Agricultural Show being the most competitive. Finally, to support the herds pastures are recovered, maintained and re-established to ensure the availability of adequate nutritious forage.

LOCATION OF NEW AND AVAILABLE LANDS AND PROPERTY UNDER MANAGEMENT BY AIC

New Properties	Size (acres)
Cassa Morenton, St. Elizabeth	25
Enfield, Westmoreland	150
Parbucle Wharf, Hanover,	119
Alligator Pond	30
Dundee, Trelawny	300
Unity Farm, St. Mary	698
Non Such, St. Mary	493
Fort George, St. Mary	132
Lennox, Portland	129
Low Leyton, Portland	214
Lucky Hill/New Pen	893
Bridge Pen, Clarendon	487
Panasus, Clarendon	778
Monymusk, Clarendon	164
Hayzeme, St. James	150
PGR, St. Thomas	145

Meeting with investors at New Pen St. Mary - Irish Potato Programme

PLANS FOR DEVELOPMENT OF NEW PROPERTIES

Our Property and Fixed Asset Department takes a comprehensive approach to the development of new properties which starts with sensitizing any possible occupants, scoping, and surveying these lands which allows us to develop spatial, land use and infrastructure maps for each property. This process involves ascertaining the boundaries and size of each plot which may be occupied detailing the specific crops which are present thereupon and ascertaining soil to guide crop selection.

Our Project Development Department will then offer Business Planning Services to occupants and new investors who have an interest in putting together business proposals for agricultural projects. This process allows each investor to align their resources with their agricultural plans which allows for efficient use and allocation of the lands.

Our Agro Park Development Department simultaneously assists with providing market linkages, crop selection and scheduling recommendations as well as best agricultural practices for sustainable production on these properties.

PROPERTY & FIXED ASSET'S ROLE IN GETTING INFORMAL SETTLERS FORMALIZED

It is not the intention of the Agro Invest to remove and displace farmers to settle new farmers. As such we take an inclusive approach to informal settlers.

If you are a serious farmer who can demonstrate a willingness and the ability to execute an agricultural project you will be facilitated.

STEPS TO GETTING FORMALIZED

- GIS surveys are conducted
- Plans are created detailing the exact location of each plot of land
- Each informal settler's agricultural activity is then assessed along with their ability to put said lands in production
- We assist in improving their business ideas and creating the necessary market linkages

Our land lease process involves the completion and submission of our lease application form and business proposal summary document which acts as the backbone for your application. The application also necessitates the submission of proof of market and proof of finance for the specific agricultural project you have interest in.

THE PROCESS

- Completed application files are submitted to our Lease Evaluation Committee for review
- Applications with a passing grade are submitted to our Lease Review Committee for approval
- Successful applicants are granted a formal offer for a specific parcel of land
- An initial site visit is arranged for viewing of the property
- If the investor accepts the land offer a lease agreement is prepared for execution of signature

THE REQUIREMENTS

- Download application form online from www.agroinvest.gov.jm
- Complete application form and submit along with copies of ID and TRN
- Payment of \$2,000 processing fee to our cashier at 188 Spanish Town Road, Kingston 11

COST FOR LAND LEASE

- Irrigated lands - \$10,000 per acre per annum for irrigated lands
- Unirrigated lands - \$4,000- \$7,000 per acre per annum.

HOW AVAILABLE LANDS ARE PUBLICIZED

- Available land holdings are packaged by the Property & Fixed Asset and Marketing Departments.
- Advertisements are placed in newspaper columns paired with social media adverts.
- All properties which have been scoped and can facilitate agricultural production will be advertised and project applications will be considered in pursuance of leasing.

ASSISTANCE OFFERED TO INVESTORS ON LEASING PROPERTIES

Investors on our properties benefit from a range of services, these include:

- Lease Management Services
- Business Planning and Counselling services
- Writing of Business Proposals to access Grant Funding
- Tractor services for Land Clearing and Preparation on the Agro Parks
- Crop Scheduling
- Agricultural best practices to mitigate against damage from pests and increase of crop yields
- Market Linkages

BLAST FROM THE PAST

CORPORATE SOCIAL RESPONSIBILITY

As part of our mandate, we seek to engage not just with our internal, but also our external customers and our wider community. The Covid-19 pandemic has restricted our outside interactions where we were unable to host our usual scheduled events. We, however, strongly believe in our Corporate Social Responsibility, as Corporate Governance plays a vital role in our mandate at Agro Invest. It is our hope that the pandemic comes to an end soon, or there is some sense of normalcy for which we can revert to our usual responsibility to our community.



The Agro-Invest team at Denbigh 2019

INTERNSHIP PROGRAMME

During the 2020/2021 period the restrictions meted with the pandemic resulted in a rescheduling of our Envision Internship Programme. We however appreciate the need for this type of training and engaged our Property & Fixed Asset Department for the training and development of an undergraduate student from the University of the West Indies.

It is our hope that the programme can be further extended in the 2021-22 period to accommodate training for additional students interested in agribusiness investments.

YOUTH IN AGRICULTURE PROGRAMME

The Agro-Investment Corporation under the direction of The Ministry of Agriculture and Fisheries in collaboration with the Jamaica 4 H Club and the Rural Agriculture and Development Authority, facilitated the establishment of the Youth in Agriculture Programme in the 2017/2018 financial year. The objective of the programme was to encourage the development of small to medium scale businesses headed by youth investors.

There are educational opportunities for youth investors to study at the College of Agriculture, Science and Education (CASE) as well as the Ebony Park HEART Academy. Additionally, the Jamaica 4 H Club is supporting the Rural Youth Economic Empowerment Programme.

Since its inception the Youth in Agriculture Programme has introduced new technologies and knowledge in the form of:

- Diversified modern farming practices
- Establishment of new crop varieties
- Institution of national food security production in rural- urban areas
- Increased employment for young individuals

Benefits of the Youth in Agriculture Programme:

- Providing consistent produce to the supply chain
- Enhancing the overall production system
- Introduction of new technology
- Introduction of new post-harvest techniques
- Provision of market linkages

The land tenure for each youth, is five (5) years, covering an expanse of 5 acres. The Agro Investment Corporation through its mandate, made approximately one hundred (100) acres of arable lands available for crop production, during the 2018/2019 financial year. For the financial year 2020/2021, the youths cultivated the following crops for the supply chain:

- Hot peppers
- Sweet potatoes
- Sweet corn
- Pumpkin
- Lettuce
- Watermelon

At present there 50 youths, which comprise fifteen (15) percent of the Agro Park Cohort at the Ebony Agro Park in Clarendon. The Agro Invest partnered with Red Stripe and the National Commercial Bank for seven (7) youths to be provided with market linkage as well as funding to cultivate cassava for Agro Processing. Another integral partner was Grace Kennedy who came on board to purchase hot peppers from the youths for Agro processing.

During the financial year as part of our objective to increase the number of youths in agriculture, we engaged seven (7) youth investors for inclusion in the Youth in Agriculture Programme. An additional 35 acres were designated for the programme. Total acreage dedicated to the Youth in Agriculture Programme as of 2021 is 250 acres.

BLAST FROM THE PAST

Photo Gallery

AGRO-INVESTMENT CORPORATION
ANNUAL REPORT



Minard Estate's Show 2018



Minard Estate's Show 2018



Campion College visit to Amity Hall



Minard's Trophies



AUDITED FINANCIALS OVERVIEW

Subject: Overview & Analytical Discussion on the audited Financial Statements for the financial year ended **March 31, 2021**

Effective April 2020 Agro Investment Corporation (AIC) formally merged the accounting functions of the Agricultural Marketing Corporation (AMC), aligning with the Government's public Sector Rationalization plan aimed at creating more effective public sector that share the same synergies of function and resources.

The preparation of the financial statements was in accordance with the appropriate International Financial Reporting Standards (IFRS) and International Accounting Standards (IAS).

STATEMENT OF COMPREHENSIVE INCOME

Table I below gives highlights of the revenue and expenditure for the financial year for the Corporation for 2020/2021 compared to the results reported in the previous financial year, 2019/2020.

LINE ITEM	FINANCIAL YEAR ENDED MARCH 31, 2021	FINANCIAL YEAR ENDED MARCH 31, 2020	Variance	% age Variance
	\$	\$		
REVENUE	62,513,182	35,013,660	27,499,522	78.54
GOVERNMENT SUBVENTION	275,779,167	263,193,722	12,585,445	4.78
SUB-TOTAL-TOTAL RECEIPTS	338,292,349	298,207,382	40,084,967	13.44
OPERATING EXPENSES	33,508,302	53,677,217	20,168,915	(37.57)
EXPENSES FOR AGRO PARKS	85,467,329	68,494,105	(16,973,224)	24.78
ADMINISTRATIVE EXPENSES	244,354,610	199,416,581	(44,938,029)	22.53
SUB-TOTAL-TOTAL EXPENDITURE	363,330,241	321,587,903	(41,742,338)	12.98
SURPLUS/(DEFICIT)	(25,037,892)	(23,380,521)	(1,657,371)	(7.09)
Total other adjustments	1,323,864	1,323,864	(0)	0
NET SURPLUS/(DEFICIT)	(23,714,028)	(22,056,657)	(1,657,371)	(7.51)
Other Comprehensive Income/(Loss)	(1,975,846)	792,800	(2,768,646)	(349.22)
Total Comprehensive Income/ (Loss)	(25,689,874)	(21,263,857)	(4,426,017)	(20.81)

FINANCIAL SUMMARY

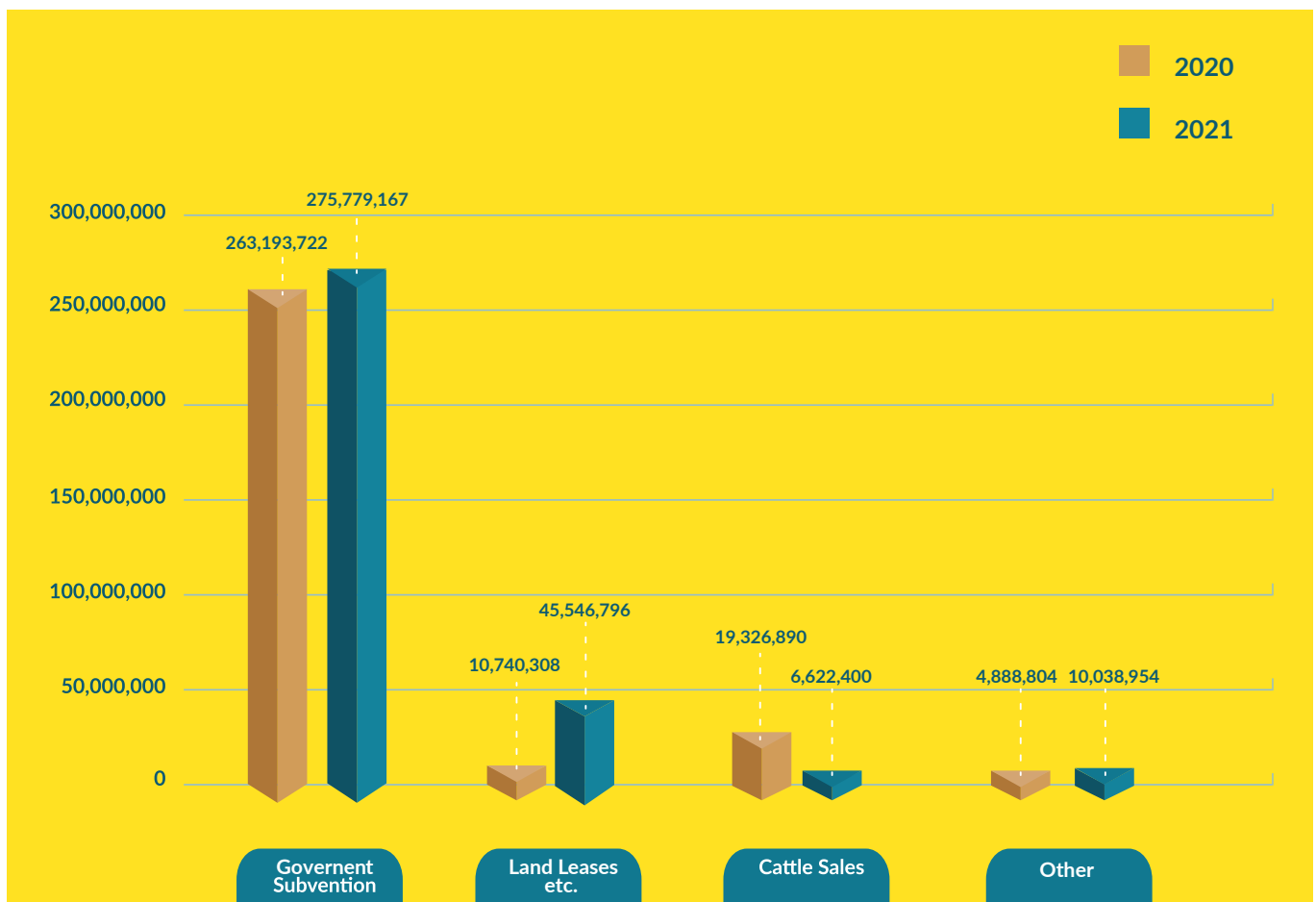
The corporation recorded a loss of \$25,689,874 for the financial year 2020/2021. This represents an increase of \$4,426,017 relative to the previous year's loss of \$21,263,857.

Revenues

Revenue generated by the Corporation reveal trends and dependencies on specific sources such as the lease rental. Revenues for the financial year ended March 31, 2021, accounted for only 18.48% of total receipts. Revenue for the year 2020/2021 was \$62,513,182 an increase of \$27,499,522 compared to the previous financial year of \$35,013,660. The increase in revenue was due primarily to increase in lease rental and the merging of the AIC and AMC financials.

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 \$12,585,445 or (4.78) %, moving from \$263,193,722 in the previous financial year to \$275,779,167 in the reporting period.

Overall, compared to the previous financial year, total receipts increased by \$40,084,967 or 13.44%, that is, from \$298,207,382 in 2019/2020 to \$338,292,349 in 2020/2021.



Expenses:

Expenses shown in the Agro Invest's financial statements are classified under three heading, namely, Operating, Expense for Agro Parks and Administrative expenses. Overall expenses increased during the financial year being reviewed by \$41,742,338 or 12.98% when compared with the previous financial year.

Operating expenses

moved from \$53,677,217 to \$33,508,302 which is a decrease of \$20,168,915 or 37.57% expenses over the previous financial year. This is due to the mitigation plans that were implemented on the farm since last financial year.

Expenses for Agro Parks

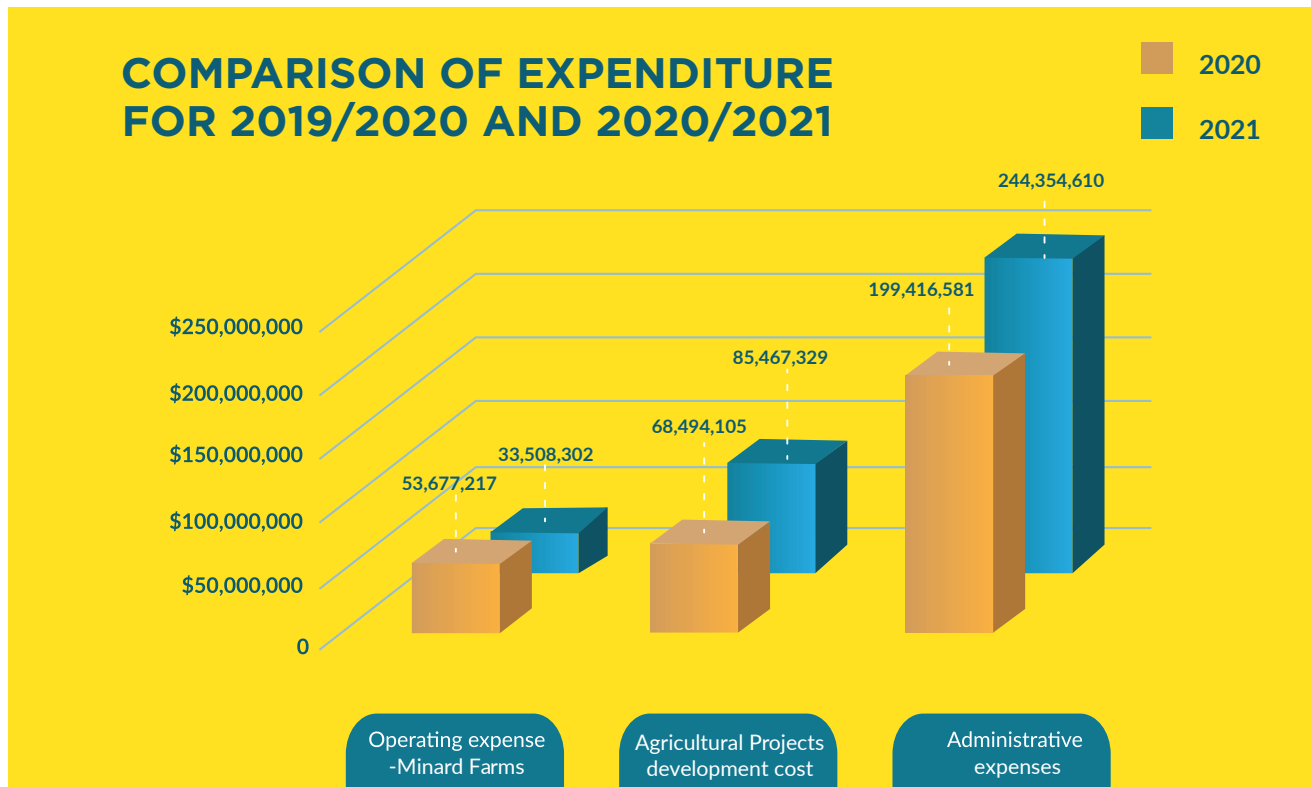
totalled \$85,467,329, a significant increase of \$16,973,224 or 24.78% over the previous financial year of \$68,494,105. Amount expended during the financial year represents changes related mainly to Global gap certifications and management of new Agro Park- Holland Estates within the financial year.

Administrative expenses

which amounted to \$244,354,610 showed a substantial increase of \$44,938,029, or 22.53% over the \$199,416,584 expended in the previous financial year. The increase was mainly due to AMC expenses subsumed into AIC financials such as electricity, water, security, general insurance, and maintenance of the complex.

Surplus/(Deficit) for the Period

As a result of the global gap certifications for the different Agro Parks and new management of Holland Estates Agro Park that was not budgeted within the financial year the Corporation experience a deficit.



STATEMENT OF FINANCIAL POSITION

ASSETS

Total assets increase drastically from \$407,914,718 to \$805,141,091 an increase of \$397,226,363. This is due to AMC assets portfolio subsumed into AIC.

ACCOUNTS PAYABLE

For the period under consideration, Payables increased from \$50,724,260 to \$51,275,925. This is a \$551,665 or 1.09% change. This is due mainly to provision made for amount due to suppliers for the financial year under review.

Risks and Uncertainties

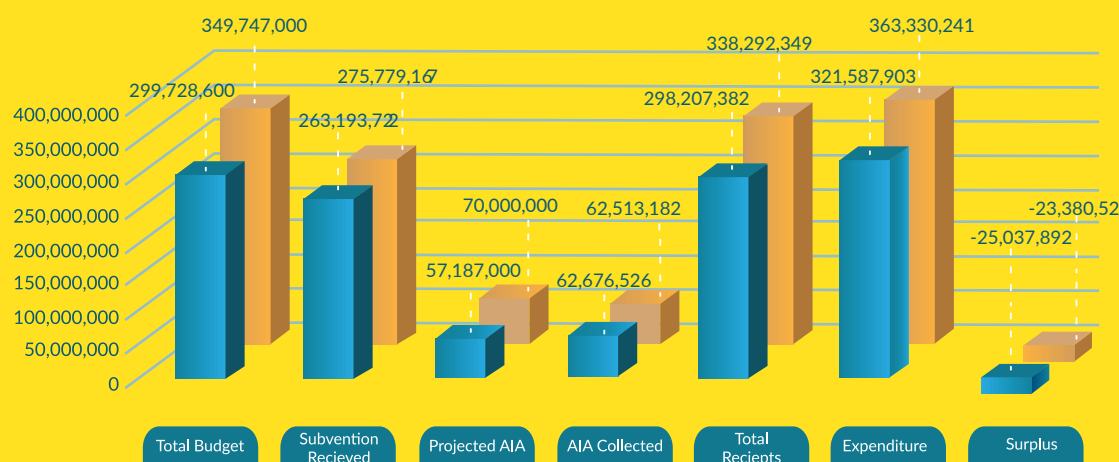
Payables and Contingent liabilities which arose have shown great improvements will continue to do so in the following period.

For the financial year 2020/2021, the collection of outstanding receivables was affected greatly by covid-19 pandemic and the heavy rains that affected the island causing damage to the agriculture sector. Farmers and tenants were unable to service their lease and rental obligation, which saw a rise in the outstanding receivables. However, the Corporation embarked on several payment plan and collection drives for the various Agro Parks to mitigate the risk the Corporation now face. 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.



COMPARISON OF FINANCIAL STATEMENTS FOR 2020/21 WITH THOSE OF 2019/20 (\$)

■ 2021
■ 2020



Budgetary Support and Appropriations-In-Aid (AIA)

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

The Subvention received which was approved by the Ministry of Finance & the Public Service moved from \$263,193,722 in 2020/2021, to \$275,779,167 in 2020/21 an increase of \$12,585,445. Budgeted Subvention received was \$271,931,011, however, the Corporation received an additional \$3,848,156 for the COVID Response Recovery Programme. Total Subvention received was \$275,779,167.

Similarly, the Appropriations-in-Aid collected moved from \$62,676,526 in 2019/20 to \$62,513,182 in 2020/21 a decrease of \$163,344.

Appropriations-in-Aid fell below projection in 20/2021 by \$12,813,000 as a result of the impacting Covid-19 pandemic which resulted in decreased collections.

Prepared by: Rose Levy (Ms.)

Chief Financial Officer (Interim)
July 2, 2021



FINANCIAL STATEMENTS

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INDEPENDENT AUDITORS' REPORT

To The Board of
Agro-Investment Corporation

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Agro-Investment Corporation ("the Corporation") set out on pages 3 to 41, which comprise the statement of financial position as at 31 March 2021, 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 2021, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS).

Basis for Opinion

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

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

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.

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

19 July 2021

STATEMENT OF COMPREHENSIVE INCOME

YEAR ENDED 31 MARCH 2021


	<u>Note</u>	<u>2021</u> \$	<u>2020</u> \$
SUBVENTION	6	275,779,167	263,193,722
Other income	7	<u>62,513,182</u>	<u>35,013,660</u>
		<u>338,292,349</u>	<u>298,207,382</u>
EXPENDITURE:			
Operating expenses - Minard Farms		33,508,302	53,677,217
Agricultural projects development costs		85,467,329	68,494,105
Administrative expenses		<u>244,354,610</u>	<u>199,416,581</u>
		<u>363,330,241</u>	<u>321,587,903</u>
DEFICIT		(25,037,892)	(23,380,521)
Transfer from capital reserve and capital grant an amount equivalent to depreciation charge on capital assets		<u>1,323,864</u>	<u>1,323,864</u>
NET DEFICIT		(23,714,028)	(22,056,657)
OTHER COMPREHENSIVE INCOME:			
Items that will not be reclassified to surplus or deficit:			
Valuation losses on fair value through other comprehensive income equity investments		(354,846)	(142,200)
Re-measurement of defined benefit pension plan		<u>(1,621,000)</u>	<u>935,000</u>
		<u>(1,975,846)</u>	<u>792,800</u>
TOTAL COMPREHENSIVE LOSS		(25,689,874)	(21,263,857)

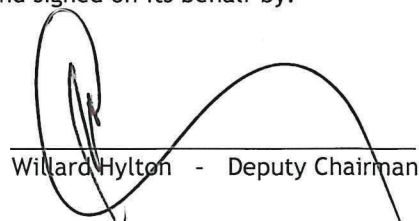
STATEMENT OF FINANCIAL POSITION

YEAR ENDED 31 MARCH 2021

	<u>Note</u>	<u>2021</u> £	<u>2020</u> £
ASSETS			
NON-CURRENT ASSETS:			
Property, plant and equipment	10	718,126,076	318,025,831
Investments	11	7,603,092	3,978,969
Biological assets	12	38,293,312	34,925,225
Post-employment benefit assets	13	<u>6,690,000</u>	<u>7,952,000</u>
		<u>770,712,480</u>	<u>364,882,025</u>
CURRENT ASSETS:			
Receivables	14	5,592,599	5,274,986
Taxation recoverable		1,721,517	372,774
Cash and cash equivalent	15	<u>27,114,495</u>	<u>37,384,933</u>
		<u>34,428,611</u>	<u>43,032,693</u>
		<u>805,141,091</u>	<u>407,914,718</u>
RESERVES AND LIABILITIES			
RESERVES:			
Capital reserve	16	819,790,218	302,517,450
Fair value reserve	17	7,449,337	3,894,514
Accumulated (deficit)/surplus		<u>(74,623,481)</u>	<u>47,087,427</u>
		<u>752,616,074</u>	<u>353,499,391</u>
NON-CURRENT LIABILITY:			
Capital grants	18	<u>1,249,092</u>	<u>2,572,956</u>
CURRENT LIABILITIES:			
Payables	19	51,275,925	50,724,260
Current portion of long term loan	20	<u>-</u>	<u>1,118,111</u>
		<u>51,275,925</u>	<u>51,842,371</u>
		<u>805,141,091</u>	<u>407,914,718</u>

Approved for issue by the Board of Directors on 19 July 2021 and signed on its behalf by:


 Ian Murray - Chairman


 Willard Hylton - Deputy Chairman

STATEMENT OF CHANGES IN RESERVES

YEAR ENDED 31 MARCH 2021

	Accumulated (Deficit)/Surplus \$	Fair Value Reserve \$	Capital Reserve \$	Total \$
BALANCE AT 1 APRIL 2019	<u>68,209,084</u>	<u>4,036,714</u>	<u>302,517,450</u>	<u>374,763,248</u>
TOTAL COMPREHENSIVE LOSS				
Deficit for the year	(22,056,657)	-	-	(22,056,657)
Other comprehensive income	<u>935,000</u>	<u>(142,200)</u>	<u>-</u>	<u>792,800</u>
	<u>(21,121,657)</u>	<u>(142,200)</u>	<u>-</u>	<u>(21,263,857)</u>
BALANCE AT 31 MARCH 2020	<u>47,087,427</u>	<u>3,894,514</u>	<u>302,517,450</u>	<u>353,499,391</u>
Equity arising on business combination (Note 23)	<u>(96,375,880)</u>	<u>3,909,669</u>	<u>517,272,768</u>	<u>424,806,557</u>
TOTAL COMPREHENSIVE LOSS				
Deficit for the year	(23,714,028)	-	-	(23,714,028)
Other comprehensive income	<u>(1,621,000)</u>	<u>(354,846)</u>	<u>-</u>	<u>(1,975,846)</u>
	<u>(25,335,028)</u>	<u>(354,846)</u>	<u>-</u>	<u>(25,689,874)</u>
BALANCE AT 31 MARCH 2021	<u>(74,623,481)</u>	<u>7,449,337</u>	<u>819,790,218</u>	<u>752,616,074</u>

STATEMENT OF CASH FLOWS

YEAR ENDED 31 MARCH 2021

	<u>2021</u> \$	<u>2020</u> \$
CASH FLOWS FROM OPERATING ACTIVITIES:		
Deficit for the year	(23,714,028)	(22,056,657)
Items not affecting cash resources:		
Depreciation	21,933,004	10,547,118
(Increase)/decrease in fair value of biological asset	(3,368,087)	8,671,525
Transfer from capital grant	(1,323,864)	(1,323,864)
Interest income	(221,925)	-
Exchange (gain) /loss on foreign balances	(14,702)	17,550
	(6,709,602)	(4,144,328)
Changes in operating assets and liabilities:		
Receivables	8,432,446	(2,440,905)
Taxation recoverable	(51,434)	(70)
Post-employment benefits assets	(359,000)	(405,000)
Payables	(10,052,849)	1,025,321
Cash used in operating activities	(8,740,439)	(5,964,982)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of property, plant and equipment	(4,052,748)	(4,414,371)
Cash acquired through business combination	3,404,233	-
Interest received	221,925	-
Cash used in investing activities	(426,590)	(4,414,371)
CASH FLOWS FROM FINANCING ACTIVITY:		
Loan repayment	(1,118,111)	(2,400,997)
Cash used in financing activity	(1,118,111)	(2,400,997)
	(10,285,140)	(12,780,350)
Exchange gain/ (loss) on foreign cash balances	14,702	(17,550)
Net decrease in cash and cash equivalents	(10,270,438)	(12,797,900)
Cash and cash equivalents at beginning of year	37,384,933	50,182,833
CASH AND CASH EQUIVALENTS AT END OF YEAR (Note 15)	<u>27,114,495</u>	<u>37,384,933</u>

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2021

1. IDENTIFICATION AND PRINCIPAL ACTIVITY:

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

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

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

On 6 March 2018, The Cabinet, by Decision No 8/18, gave approval for the transfer of the title and assets of the Agricultural Marketing Corporation to the Agro-Investment Corporation and repeal of the Agricultural Marketing Corporation Act, 1963. Arising from the decision, The Ministry of Industry, Commerce, Agriculture and Fisheries, the parent ministry, instructed Agro-Investment Corporation (AIC) to subsume the operations of Agricultural Marketing Corporation (AMC) which was previously a separate entity managed by AIC’s Board of Management since 2009. On the 1 April 2020, the AIC Board of Directors formally merged the functions of the Agricultural Marketing Corporation (AMC) under the Agro-Investment Corporation (AIC). The Agro-Investment Corporation (Amendment) Act passed on 4 June 2021 and sought to formalize the relationship between the AIC and the AMC by amending the Agro-Investment Corporation Act to entrust the functions of the AMC to the AIC and repeal the Agricultural Marketing Corporation Act (Note 23).

2. REPORTING CURRENCY:

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

3. SIGNIFICANT ACCOUNTING POLICIES:

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

(a) Basis of preparation

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

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2021

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D):

(a) Basis of preparation (cont'd)

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.

New standards, interpretations and amendments effective in the current year

Certain new standards, interpretations and amendments to existing standards have been published that became effective during the current financial year. The Corporation has assessed the relevance of all such new standards, interpretations and amendments and has put into effect the following, which are immediately relevant to its operations:

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

These amendments clarify that materiality will depend on the nature or magnitude of information, or both. An entity will need to assess whether the information, either individually or in combination with other information, is material in the context of users of general purpose financial statements by defining them as existing and potential investors, lenders and other creditors. The Corporation has applied the guidance on materiality when preparing its financial statements.

Revised Conceptual Framework for Financial Reporting (effective for annual periods beginning on or after 1 January 2020). The revised Conceptual Framework will be used in standard-setting decisions with immediate effect; however, no changes will be made to any of the current accounting standards. Entities that apply the Conceptual Framework in determining accounting policies will need to consider whether their accounting policies are still appropriate under the revised Framework. There was no impact from the adoption of this amendment.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2021

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D):

(a) Basis of preparation (cont'd)

New standards, amendments and interpretations to existing standards that are not yet effective and have not been early adopted

At the date of authorization, 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:

Annual Improvements to IFRS Standards 2018-2020 cycle (effective for annual periods beginning on or after January 1, 2022). These amendments include minor changes to the following applicable standards:

- (i) IFRS 9 Financial Instruments amendment clarifies that - for the purpose of performing the '10 per cent test' for derecognition of financial liabilities - in determining those fees paid net of fees received, a borrower includes only fees paid or received between the borrower and the lender, including fees paid or received by either the borrower or lender on the other's behalf.
- (ii) IFRS 16 Leases amendment removes the illustration of payments from the lessor relating to leasehold improvements.

The Corporation is assessing the impact this amendment will have on its 2022 financial statements.

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

(b) Business Combination

Business combinations are accounted for using the acquisition method as at the acquisition date, which is the date on which control is transferred to the Corporation. Control is the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

The Corporation does not recognize any goodwill or negative goodwill, any difference between the fair value of net assets acquired and deemed purchase consideration, is dealt with as an adjustment to equity.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2021

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D):

(c) 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.

(d) Property, plant and equipment

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

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

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

Freehold and leasehold Buildings	2.5-4%
Office machinery, equipment, furniture and fixtures	10%
Motor vehicles and tractors	20%
Agro-Park equipment	5%
Farm machinery, furniture & equipment	20%
Computer	22.5%

On the merger of Agro-Investment Corporation with Agricultural Marketing Corporation, the property, plant and equipment that were revalued were carried at deemed cost.

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.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2021

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D):

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

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

(e) Financial instrument

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

Finance assets

Classification and subsequent measurement

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

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

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

Amortised cost

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2021

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D):

(e) Financial instrument (cont'd)

Finance asset (cont'd)

Classification and subsequent measurement (cont'd)

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.

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

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

Impairment

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

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

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2021

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D):

(e) Financial instrument (cont'd)

Financial asset (cont'd)

Derecognition

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

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

Financial liabilities

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

(f) 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.

(g) Impairment of non-current assets

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

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2021

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D):

(h) 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.

(i) 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.

(j) 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.

(k) 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.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2021

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D):

(k) Employee benefits (cont'd)

Defined benefit plan (cont'd)

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.

(l) Government subvention

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

(m) 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.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2021

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D):

(m) Other income (cont'd)

The Corporation recognizes revenue from the following activities (cont'd):

(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, of the relevant lease, 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.

(iv) Other income

Other income is recognized on an accrual basis.

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.

(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.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2021

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

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

(i) Fair value estimation (cont'd)

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).

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)

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2021

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

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

(i) Fair value estimation (cont'd)

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.

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.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2021

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

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

(iv) Impairment losses on financial assets

In determining amounts recorded for impairment of financial assets in the financial statements, management makes assumptions in determining the inputs to be used in the ECL measurement model, including incorporation of forward-looking information. Management also makes estimates of the likely estimated future cash flows of impaired receivables, as well as the timing of such cash flows recoverable on the financial assets in determining loss given default. Historical loss experience is applied where indicators of impairment are not observable on individual significant receivables with similar characteristics, such as credit risks.

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

YEAR ENDED 31 MARCH 2021

5. FINANCIAL RISK MANAGEMENT (CONT'D):

(b) Financial instruments by category

Financial assets

	<u>Amortised Cost</u>		<u>Fair value through comprehensive income</u>	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
	\$	\$	\$	\$
Receivables	5,413,321	3,555,371	-	-
Cash and cash equivalent	27,114,495	37,384,933	-	-
Investments (equity)	<u>-</u>	<u>-</u>	<u>7,603,092</u>	<u>3,978,969</u>
Total financial assets	<u>32,527,816</u>	<u>40,940,304</u>	<u>7,603,092</u>	<u>3,978,969</u>

Financial liabilities

	<u>Financial liabilities at amortised cost</u>	
	<u>2021</u>	<u>2020</u>
	\$	\$
Payables	7,560,639	4,866,155
Long term loan	<u>-</u>	<u>1,118,111</u>
Total financial liabilities	<u>7,560,639</u>	<u>5,984,266</u>

(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:

	<u>Level 1</u>	
	<u>2021</u>	<u>2020</u>
	\$	\$
Financial asset		
Investments (equity)	<u>7,603,092</u>	<u>3,978,969</u>
Total financial asset	<u>7,603,092</u>	<u>3,978,969</u>

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

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2021

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, processes, and report 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 \$512,506 (2019 - \$465,920).

Foreign currency sensitivity

The following table indicates the sensitivity of surplus or deficit to changes in foreign exchange rates. The change in currency rate below represents management's assessment of the possible change in foreign exchange rates. The sensitivity analysis represents outstanding foreign currency denominated cash and bank balances, and adjusts their translation at the year-end for 6% (2020 - 6%) depreciation and a 2% (2020 - 2%) appreciation of the Jamaican dollar against the US dollar.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2021

5. FINANCIAL RISK MANAGEMENT (CONT'D):

(e) Financial risk factors (cont'd)

(i) Market risk (cont'd)

Currency risk (cont'd)

Foreign currency sensitivity (cont'd)

The changes below would have no impact on other components of equity.

	<u>% Change in Currency Rate</u>	<u>Effect on Deficit</u>	<u>% Change in Currency Rate</u>	<u>Effect on Deficit</u>
	<u>2021</u>	<u>2021</u>	<u>2020</u>	<u>2020</u>
		\$		\$
Currency:				
USD	(30,750)	-6	-6	(27,955)
USD	<u>10,250</u>	<u>+2</u>	<u>+2</u>	<u>9,318</u>

Price risk

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

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

Interest rate risk

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

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

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2021

5. FINANCIAL RISK MANAGEMENT (CONT'D):

(e) Financial risk factors (cont'd)

(i) Market risk (cont'd)

Interest rate sensitivity

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

(ii) Credit risk

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

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

The company manages this risk as follows:

Cash and cash equivalent

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

Receivables

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

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2021

5. FINANCIAL RISK MANAGEMENT (CONT'D):

(e) Financial risk factors (cont'd)

(ii) Credit risk (cont'd)

Receivables (cont'd)

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

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

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

	<u>Current</u> ₹	<u>More than 30 Days Past due</u> ₹	<u>More than 60 Days Past due</u> ₹	<u>More than 90 Days Past due</u> ₹	<u>Total</u> ₹
31 March 2021:					
Expected loss rate	0%	0%	0.20%	64.89%	
Gross carrying amount	-	-	421,570	24,819,288	25,240,858
Loss amount	<u>-</u>	<u>-</u>	<u>843</u>	<u>19,826,694</u>	<u>19,827,537</u>
	<u>Current</u> ₹	<u>More than 30 Days Past due</u> ₹	<u>More than 60 Days Past due</u> ₹	<u>More than 90 Days Past due</u> ₹	<u>Total</u> ₹
31 March 2020:					
Expected loss rate	0%	0%	0%	79.81%	
Gross carrying amount	1,496,849	-	187,460	9,267,036	10,951,345
Loss amount	<u>-</u>	<u>-</u>	<u>-</u>	<u>7,395,974</u>	<u>7,395,974</u>

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2021

5. FINANCIAL RISK MANAGEMENT (CONT'D):

(e) Financial risk factors (cont'd)

(ii) Credit risk (cont'd)

Receivables (cont'd)

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

	<u>2021</u>	<u>2020</u>
	£	£
At 1 April	7,395,974	8,823,602
Arising on business combination	10,455,458	-
Write-off	(6,890,897)	-
Increase/ (decrease) in impairment losses	<u>8,867,002</u>	<u>(1,427,628)</u>
At 31 March	<u>19,827,537</u>	<u>7,395,974</u>

(iii) Liquidity risk

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

Liquidity risk management process

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

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

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2021

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:

The financial liabilities of 7,560,639 (2020: \$5,984,266) is repayable within one (1) year.

(f) Capital management

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

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

6. SUBVENTION:

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

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2021

7. OTHER INCOME:

	<u>2021</u>	<u>2020</u>
	£	£
Sales of cattle	6,622,400	19,326,890
Lease rental	45,546,796	10,740,308
Interest income	221,925	-
Foreign exchange gain	83,107	57,658
Other	<u>10,038,954</u>	<u>4,888,804</u>
	<u>62,513,182</u>	<u>35,013,660</u>

8. EXPENSES BY NATURE:

Total operating, administrative and other expenses

	<u>2021</u>	<u>2020</u>
	£	£
Staff costs (note 22)	185,407,984	171,794,653
Motor vehicle allowance	19,451,295	18,577,083
Repairs and maintenance	4,743,076	7,899,221
Travelling and subsistence	14,524,177	9,986,550
Depreciation	21,933,004	10,547,118
Professional fees	1,636,784	2,080,194
Audit fees-current	1,044,800	995,000
-prior year under accrual	-	495,800
Utilities	23,703,239	8,584,835
Agro parks other expense	29,807,524	15,493,541
Increase in provision for bad debt including related party balance	8,867,002	15,199,354
(Increase)/decrease in fair value of biological asset	(3,368,087)	8,671,525
Meeting seminars/training	1,941,052	2,475,774
Rates and taxes	1,761,611	1,185,208
General insurance	10,261,880	9,467,326
Other	<u>41,614,900</u>	<u>38,134,721</u>
	<u>366,330,241</u>	<u>321,587,903</u>

9. TAXATION:

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

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2021

NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2021

		Freehold Land & Buildings £	Leasehold Land & Buildings £	Agro Park Equipment & Equipment £	Furniture & Equipment £	Office Equipment Machinery & Furniture & Fixtures £	WIP £	Machinery Motor Vehicles £	Total £
10. PROPERTY, PLANT AND EQUIPMENT:									
At cost-									
1 April 2019		220,504,258	73,080,668	10,516,140	36,172,345	20,075,564	263,243	17,615,019	378,227,237
Additions		-	-	-	1,946,400	2,155,331	312,640	-	4,414,371
31 March 2020		220,504,258	73,080,668	10,516,140	38,118,745	22,230,895	575,883	17,615,019	382,641,608
Arising on business combination (Note 23)		439,120,176	14,911,940	-	-	7,297,033	-	1,234,366	462,563,515
Transfer		-	-	8,863,823	-	(8,863,823)	-	-	-
Additions		-	-	-	1,703,297	2,349,451	-	-	4,052,748
31 March 2021		<u>659,624,434</u>	<u>87,992,608</u>	<u>19,379,963</u>	<u>39,822,042</u>	<u>23,013,556</u>	<u>575,883</u>	<u>18,849,385</u>	<u>849,257,871</u>
Depreciation -									
1 April 2019		951,756	6,681,958	6,619,327	20,203,918	8,100,037	-	11,511,663	54,068,659
Charge for year		48,622	344,583	779,365	3,802,686	4,013,558	-	1,558,304	10,547,118
31 March 2019		1,000,378	7,026,541	7,398,692	24,006,604	12,113,595	-	13,069,967	64,615,777
Arising on business combination (Note 23)		32,418,057	4,605,271	-	-	6,325,320	-	1,234,366	44,583,014
Charge for year		10,822,069	717,383	779,365	3,984,460	4,071,423	-	1,558,304	21,933,004
31 March 2020		<u>44,240,504</u>	<u>12,349,195</u>	<u>8,178,057</u>	<u>27,991,064</u>	<u>22,510,338</u>	<u>-</u>	<u>15,862,637</u>	<u>131,131,795</u>
Net Book Value -									
31 March 2021		<u>615,383,930</u>	<u>75,643,413</u>	<u>11,201,906</u>	<u>11,830,978</u>	<u>503,218</u>	<u>575,883</u>	<u>2,986,748</u>	<u>718,126,076</u>
31 March 2020		<u>219,503,880</u>	<u>66,054,127</u>	<u>3,117,448</u>	<u>14,112,141</u>	<u>10,117,300</u>	<u>575,883</u>	<u>4,545,052</u>	<u>318,025,831</u>

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2021

10. PROPERTY, PLANT AND EQUIPMENT (CONT'D):

Agricultural Marketing Corporation's buildings located at 188 Spanish Town Road, Christiana, Coleyville and Guys Hill (St. Catherine) were revalued in February and March 2018, using the open market value technique. The valuation was carried out by external independent qualified valuator, Audley D Clarke, Licenced Valuation Surveyor. The revaluation surplus was credited to capital reserve.

At the date of the business combination, the revalued amounts were carried at deemed cost.

11. INVESTMENTS:

	<u>2021</u>	<u>2020</u>
	\$	\$
Fair value through other Comprehensive Income-		
Quoted equity:		
Jamaica Broilers Group Limited -		
391,374 ordinary shares (cost - \$207,900)	<u>7,603,092</u>	<u>3,978,969</u>

The ordinary shares for Agricultural Marketing Corporation were included in the books of AIC as at the end of the year.

12. BIOLOGICAL ASSETS:

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

	<u>2021</u>	<u>2020</u>
	\$	\$
Balance at start of year	34,925,225	43,596,750
Increase / (decrease) in fair value of assets	<u>3,368,087</u>	<u>(8,671,525)</u>
Balance at end of year	<u>38,293,312</u>	<u>34,925,225</u>

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

	<u>2021</u>	<u>2020</u>
	\$	\$
Opening balance at 1 April	327	475
Decrease due to sale	(63)	(203)
Net increase/(decrease) due to:		
Births	175	77
Deaths	(14)	(16)
Other	<u>(13)</u>	<u>(6)</u>
	<u>412</u>	<u>327</u>

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2021

12. **BIOLOGICAL ASSETS (CONT'D):**

	<u>2021</u>	<u>2020</u>
	\$	\$
Represented by:		
Cattle reared for sale and reproduction	406	320
Horses held for reproduction	<u>6</u>	<u>7</u>
	<u>412</u>	<u>327</u>

13. **POST-EMPLOYMENT BENEFIT ASSETS:**

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

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

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

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

- Investment risk: movement of discount rate used (Government of Jamaica) against the return from plan assets.
- Interest rate risk: decrease/increase in the discount rate used (Government of Jamaica bonds) will increase/decrease the defined benefit obligation.
- Longevity risk: changes in the estimation of mortality rate of current and former employees.
- Salary risk: Increases in future salaries, increase the gross defined benefit obligation.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2021

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

- (a) The amounts recognised in the statement of financial position in respect of the plan were determined as follows:

	<u>2021</u> \$	<u>2020</u> \$
Fair value of plan assets	66,616,000	64,847,000
Present value of obligation	<u>(42,347,000)</u>	<u>(49,099,000)</u>
	24,269,000	15,748,000
Effects of asset ceiling	<u>(17,579,000)</u>	<u>(7,796,000)</u>
Asset recognized in the statement of financial position	<u>6,690,000</u>	<u>7,952,000</u>

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

	<u>2021</u> \$	<u>2020</u> \$
Balance at beginning of year	64,847,000	64,196,000
Contribution by the employer and plan participants	2,361,000	2,198,000
Calculated return on plan assets	4,069,000	4,562,000
Benefits paid and administrative expenses	<u>(6,858,000)</u>	<u>(257,000)</u>
Re-measurement of plan assets	<u>2,197,000</u>	<u>(5,852,000)</u>
Balance at end of year	<u>66,616,000</u>	<u>64,847,000</u>

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

	<u>2021</u> \$	<u>2020</u> \$
Balance at beginning of year	49,099,000	40,278,000
Current service Cost	2,277,000	2,034,000
Interest cost	2,979,000	2,854,000
Benefits paid on admin expenses	<u>(6,550,000)</u>	-
Re-measurement on defined benefit obligation	<u>(5,458,000)</u>	<u>3,933,000</u>
Balance at the end of the year	<u>42,347,000</u>	<u>49,099,000</u>

Expected contributions to the plan for the year ended 31 March 2022 based on expected contribution of 10% amounts to \$1.14 Million.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2021

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

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

	<u>2021</u> \$	<u>2020</u> \$
Balance at beginning of year	7,796,000	17,306,000
Interest on effect	507,000	1,210,000
Change in effect	<u>9,276,000</u>	<u>(10,720,000)</u>
Balance at end of year	<u>17,579,000</u>	<u>7,796,000</u>

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

	<u>2021</u> \$	<u>2020</u> \$
Current service cost	1,216,000	1,053,000
Interest cost	<u>(276,000)</u>	<u>(240,000)</u>
Total included in staff cost (note 22)	<u>940,000</u>	<u>813,000</u>

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

	<u>2021</u> \$	<u>2020</u> \$
Re-measurement of the defined benefit obligation	(5,458,000)	3,933,000
Re-measurement on plan assets	(2,197,000)	5,852,000
Change in effect of Asset Ceiling	<u>9,276,000</u>	<u>(10,720,000)</u>
Components of defined benefit cost/(income) recognised in other comprehensive income	<u>1,621,000</u>	<u>(935,000)</u>

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2021

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

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

	<u>2021</u>	Market Value of Assets	<u>2020</u>	Market Value of Assets
	%	\$	%	\$
Fixed income securities	22.78	15,180,000	26.98	17,560,000
Money market	7.13	4,750,000	6.76	4,400,000
Foreign currency	13.88	9,250,000	11.32	7,370,000
Other assets	56.21	37,436,000	54.94	35,770,000
Adjustment	-	-	-	(253,000)
	<u>100.00</u>	<u>66,616,000</u>	<u>100.00</u>	<u>64,847,000</u>

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

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
	\$'000	\$'000	\$'000	\$'000	\$'000
Fair value of plan assets	66,616	64,847	64,196	68,726	60,266
Defined benefits obligation	(42,347)	(49,099)	(40,278)	(37,918)	(28,888)
Surplus	<u>24,269</u>	<u>15,748</u>	<u>23,918</u>	<u>30,808</u>	<u>31,378</u>
Experience adjustments:					
Fair value of plan assets	2,197	(5,852)	(6,530)	3,977	(960)
Defined benefit obligation	<u>2,092</u>	<u>1,205</u>	<u>741</u>	(412)	(436)

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

	<u>2021</u>	<u>2020</u>
Discount rate	8.50	6.50
Inflation rate	5.50	3.00
Interest on refunds	8.50	6.50
Future salary increases	7.50	5.00
Future pension increases	Valuation assumes no future pension increases	

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2021

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

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

The change in the Projected Benefits obligation (PBO) that would arise from an increase of one year in the life expectancy is an increase of approximately \$0.43 Million (2020: \$0.67 Million).

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

		<u>Impact on post-employment obligations</u>			
<u>Changes in Assumptions</u>		<u>Increase in Assumption</u>		<u>Decrease in Assumption</u>	
		<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
		<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>
Discount rate	1%	(3,919)	(5,086)	4,743	6,245
Salary growth rate	1%	<u>917</u>	<u>1,044</u>	<u>(839)</u>	<u>(948)</u>

- (l) Liability duration

The active liability duration for members was 10.9 years (2019: 11.9).

14. RECEIVABLES:

	<u>2021</u>	<u>2020</u>
	<u>\$</u>	<u>\$</u>
Accounts receivable	25,240,858	10,951,345
Less impairment losses	<u>(19,827,537)</u>	<u>(7,395,974)</u>
Other	5,413,321	3,555,371
	<u>179,278</u>	<u>1,719,615</u>
	<u>5,592,599</u>	<u>5,274,986</u>

The Corporation does not hold any collateral over receivable balances.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2021

15. CASH AND CASH EQUIVALENTS:

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

	<u>2021</u> ₤	<u>2020</u> ₤
Cash in hand and at bank	23,539,457	37,320,310
Short-term deposits	<u>3,575,038</u>	<u>64,621</u>
	<u>27,114,495</u>	<u>37,384,931</u>

16. CAPITAL RESERVE:

	<u>2021</u> ₤	<u>2020</u> ₤
Capital grant - Agro-Parks Development	210,094,934	210,094,934
Property, plant and equipment adjustment	2,300,000	2,300,000
Unrealised surplus on revaluation of assets	80,326,650	80,326,650
Holding Farms	1,784,562	1,784,562
Accrued interest waived	4,516,877	4,516,877
Insurance proceeds	1,490,431	1,490,431
Ministry of Agriculture loan write off	549,849	549,849
Proceeds from hurricane insurance claim	1,454,147	1,454,147
Property, plant and equipment adjustment	21,547,084	-
Unrealised surplus on revaluation of property, plant and equipment	469,356,188	-
Gain on disposal of shares in Jamaica Grain and Cereal Ltd	11,880,000	-
Insurance claims from Hurricane Gilbert	1,479,434	-
Proceeds from hurricane insurance claim	12,086,905	-
Realised gain on disposal of property, plant and equipment	<u>923,157</u>	<u>-</u>
	<u>819,790,218</u>	<u>302,517,450</u>

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2021

16. CAPITAL RESERVE (CONT'D):

Property, plant and equipment adjustment comprises buildings that were included in earlier years owned by Agricultural Marketing Corporation.

The surplus on revaluation of land and building includes \$3,245,000 arising on the revaluation of land and building vested in Agricultural Marketing Corporation.

17. FAIR VALUE RESERVE:

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

18. CAPITAL GRANTS:

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

19. PAYABLES:

	<u>2021</u> \$	<u>2020</u> \$
Accounts payable	7,560,639	4,866,155
Gratuity payable	21,461,179	23,627,890
Property taxes	9,323,000	9,323,000
Vacation leave	6,740,929	6,857,106
Security deposit	807,105	1,716,218
Others	<u>5,383,073</u>	<u>4,333,891</u>
	<u>51,275,925</u>	<u>50,724,260</u>

20. LONG TERM LOAN:

	<u>2021</u> \$	<u>2020</u> \$
Development Bank of Jamaica	-	1,118,111
Less - current portion	<u>-</u>	<u>(1,118,111)</u>
	<u>-</u>	<u>-</u>

This represents a loan of \$16 million received on 25 January 2012 for the construction of a packing house facility. The loan is repayable over 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. The loan was repaid during the year ended March 2021.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2021

21. RELATED PARTY TRANSACTIONS AND BALANCES:

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

	<u>2021</u> ₤	<u>2020</u> ₤
Directors' fees	<u>914,637</u>	<u>604,500</u>

22. STAFF COSTS:

	<u>2021</u> ₤	<u>2020</u> ₤
Salaries, wages and allowances	180,692,197	166,012,427
Pension (note 13)	940,000	813,000
Staff welfare and benefits	<u>3,775,787</u>	<u>4,969,226</u>
	<u>185,407,984</u>	<u>171,794,653</u>

The Corporation had 58 staff employed as at the end of the year (2020: 49).

23. BUSINESS COMBINATION:

Effective 1 April 2020, Agro-Investment Corporation (AIC) formally merged the functions of the Agricultural Marketing Corporation (AMC); aligning with the Government's Public Sector Master Rationalisation plan aimed at creating more efficient and effective public sector that share synergies of functions and resources. In accordance with IFRS 3, Business Combinations, the transaction was deemed to be a reverse acquisition. In reverse acquisitions, the legal acquirer AIC is deemed to be the acquirer for accounting purposes, and one of the previously existing entities being deemed the acquirer. AIC was identified as the acquirer as prescribed by IFRS 3 qualifying factors. There was no goodwill or negative goodwill arising on the acquisition

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2021

23. BUSINESS COMBINATION (CONT'D):

The following summaries the book value of the identifiable assets and liabilities at the date of acquisition of Agricultural Marketing Corporation (AMC):

	<u>2021</u> \$
Identifiable assets and liabilities assumed:	
Property, plant and equipment	417,980,501
Investment	3,978,969
Receivables	8,750,059
Taxation recoverable	1,297,309
Cash and cash equivalent	3,404,233
Accounts payable	<u>(10,604,514)</u>
Transferred to reserves	<u>424,806,557</u>
Cash and cash equivalent acquired in merger	<u>3,404,233</u>
Cash balance acquired on acquisition	
Bank and cash balances being cash and cash equivalents included in the statement of cash flows.	<u>3,404,233</u>

24. IMPACT OF COVID-19:

In March 2020, The World Health Organisation declared the novel coronavirus, Covid-19 outbreak, a global pandemic and the Government of Jamaica declared the island a disaster area on 13 March 2020. The rapid spread and consequent containment measures to control its impact such as closure of borders, physical distancing rules, mass quarantines, and stay at home orders for nonessential services have resulted in disruptions, which have negatively affected economic activities and business operations worldwide.

For the financial year 2020-2021, the collection of outstanding receivables were affected greatly by the Covid-19 Pandemic and the heavy rains that affected the Island. The two (2) main revenue generated areas land lease and rentals saw a reduction in collection due to the closure of the hotel and tourism industry. Stakeholders (farmers and tenants) were unable to service their monthly rental and lease obligation, which saw a rise in the outstanding receivables portfolio.

The Corporation is currently not matching its monthly Appropriation in Aid (AIA) collection of \$5,833,333 and is at a deficit of 55% concerning AIA collections. In preparation for Covid-19, Agro Investment Corporation incurred expenditure for safety items for staff. This was not accounted for in this year's budget.

The Corporation also embarked on a series of collection drives across the various Agro Parks along with short-term payment plans as a means of strengthening the stakeholder's relationship. This practice has now become a critical strategy due to its effectiveness.

The nature and extent of the impact on the Corporation's financial position, results and cash flows continues to evolve given the rapid pace of change and the elevated level of uncertainty. The Corporation continues to monitor and manage the identified risks through its Board of Directors.

DETAILED STATEMENT OF SURPLUS OR DEFICIT

YEAR ENDED 31 MARCH 2021

	<u>2021</u> ₤	<u>2020</u> ₤
SUBVENTION	275,779,167	263,193,722
Other income	<u>62,513,182</u>	<u>35,013,660</u>
	<u>338,292,349</u>	<u>298,207,382</u>
EXPENDITURE:		
Operating expense - Minard Farms (page 40)	33,508,302	53,677,217
Agricultural projects development cost (page 40)	85,467,329	68,494,105
Administrative expenses (page 41)	<u>244,354,610</u>	<u>199,416,581</u>
	<u>363,330,241</u>	<u>321,587,903</u>
DEFICIT	(25,037,892)	(23,380,521)
Transfer from capital reserve and capital grant an amount equivalent to depreciation charge on capital assets	<u>1,323,864</u>	<u>1,323,864</u>
NET DEFICIT	<u>(23,714,028)</u>	<u>(22,056,657)</u>

OPERATING EXPENSES YEAR ENDED 31 MARCH 2021

	<u>2021</u> ₤	<u>2020</u> ₤
OPERATING EXPENSES MINARD FARMS:		
Salaries, allowances and statutory contributions	23,617,760	20,324,224
Travelling and subsistence	908,316	-
(Increase)/decrease in fair value of biological assets	(3,368,087)	8,671,525
Cattle feed	7,775,581	16,409,008
Medicine and drugs	712,875	2,594,407
Barb wire and staples	515,834	673,130
Miscellaneous, hay, twine etc.	595,099	230,217
Repairs and maintenance - tractor/truck	102,739	1,953,402
Repairs and maintenance - pasture, fences, walls	1,523,478	372,885
Repairs and maintenance - machinery and equipment	5,000	179,697
Repairs and maintenance - other	-	415,823
Fuel and lubricants	412,108	783,183
Agricultural show	-	281,411
Office and general	12,000	254,558
Utilities	315,599	255,101
Travelling	<u>380,000</u>	<u>278,646</u>
	<u>33,508,302</u>	<u>53,677,217</u>
	<u>2021</u> ₤	<u>2020</u> ₤
AGRICULTURAL PROJECT DEVELOPMENT COSTS:		
Salaries, allowances and statutory contributions	43,955,396	45,712,253
Travelling and subsistence	11,501,436	6,453,306
Agro parks other expenses	29,807,524	15,493,541
Utilities	<u>202,973</u>	<u>835,005</u>
	<u>85,467,329</u>	<u>68,494,105</u>

ADMINISTRATIVE EXPENSES

YEAR ENDED 31 MARCH 2021

	<u>2021</u> £	<u>2020</u> £
Salaries, allowances and statutory contributions	114,882,041	99,975,950
Directors' fees	914,637	604,500
Travelling and subsistence	2,114,425	3,254,598
Staff welfare and canteen	1,727,801	2,643,825
Pension	2,891,520	813,000
Motor vehicle allowance	19,451,295	18,577,083
Repairs and maintenance - motor vehicles	1,326,904	4,179,239
Repairs and maintenance - equipment	3,416,172	1,213,998
Legal and professional fees	1,636,784	2,080,194
Audit fees-current	1,044,800	995,000
-prior year under accrual	-	495,800
Utilities	23,184,667	8,329,734
Office and general	4,390,810	3,998,347
Subscription and donations	237,607	507,804
General insurance	10,261,880	9,467,326
Rates and taxes	1,761,611	1,185,208
Security	12,691,734	56,000
Miscellaneous	3,169,878	686,748
Computer supplies	1,823,431	4,711,614
Advertising and promotion	2,761,224	2,446,388
Meetings, seminars and training	1,543,188	2,475,774
Printing and stationery	1,207,467	1,345,631
Finance charges	419,622	629,019
Accommodation	96,466	2,325,401
Rental/transportation charges	598,640	671,928
Increase/ (decrease) in provision for bad debt - accounts receivable	8,867,002	(1,427,628)
- related party balance	-	16,626,982
Depreciation	<u>21,933,004</u>	<u>10,547,118</u>
	<u>244,354,610</u>	<u>199,416,581</u>

Agro Investment Corporation

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