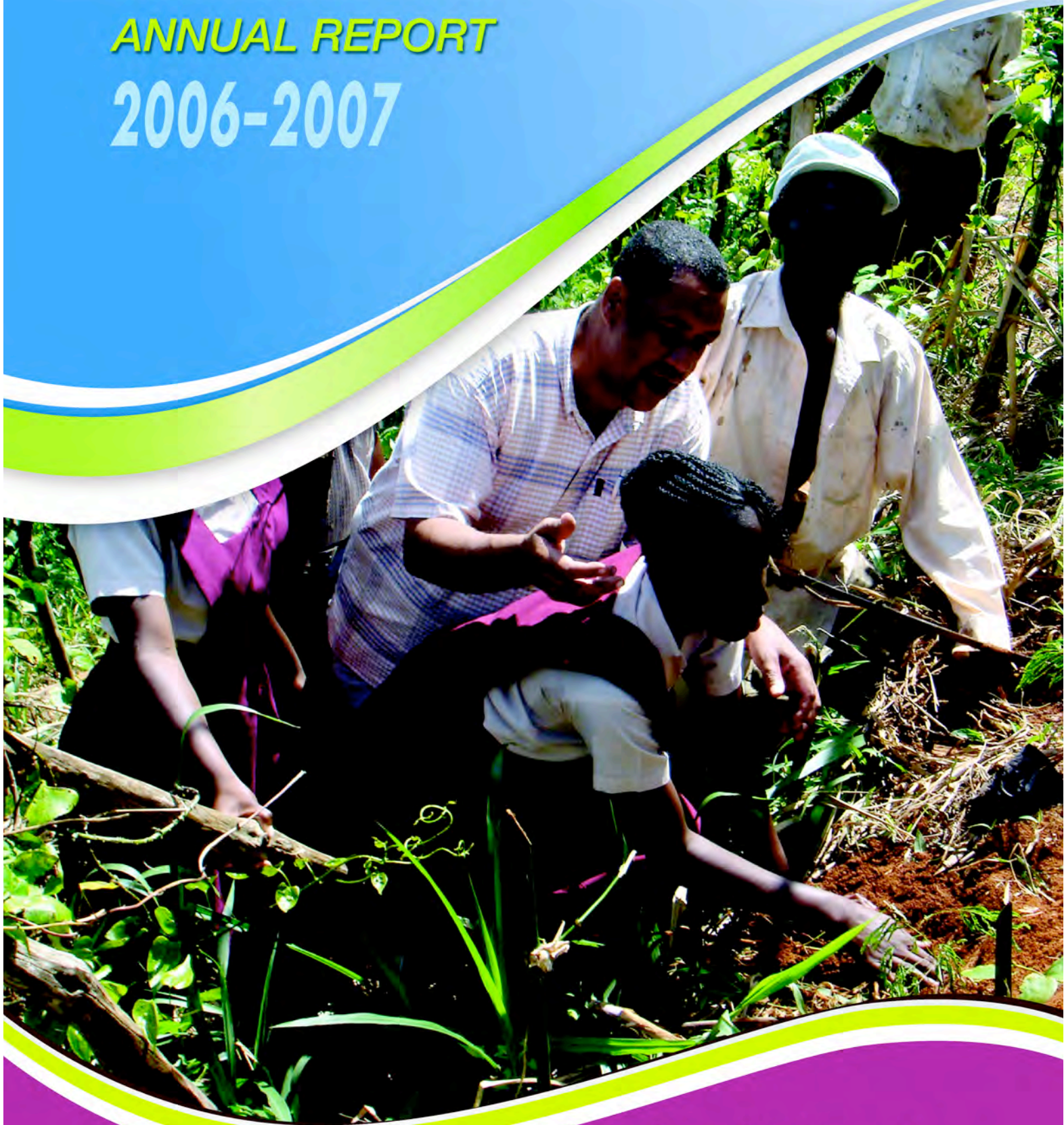




RADA RURAL AGRICULTURAL DEVELOPMENT AUTHORITY

ANNUAL REPORT **2006-2007**



People, Land & Opportunity



RADA

RURAL AGRICULTURAL
DEVELOPMENT AUTHORITY

Corporate Profile

The Rural Agricultural Development Authority (RADA) is a statutory body under the Ministry of Agriculture and Lands. RADA was established under the Rural Agricultural Development Authority Act of 1990 which replaced the Land Authorities Act and began its operation on August 1, 1990.

It is Jamaica's chief agricultural extension and rural development agency.

Vision Statement

To become the leader in the drive towards achieving national economic growth and stability through agricultural development.

Mission Statement

The mission of the Rural Agricultural Development Authority (RADA) is to promote agricultural production as the main engine of growth in rural communities; to ensure the provision of technical marketing, financial and infrastructural facilities and to provide the social services required for the improvement of the quality of life of rural farm families.

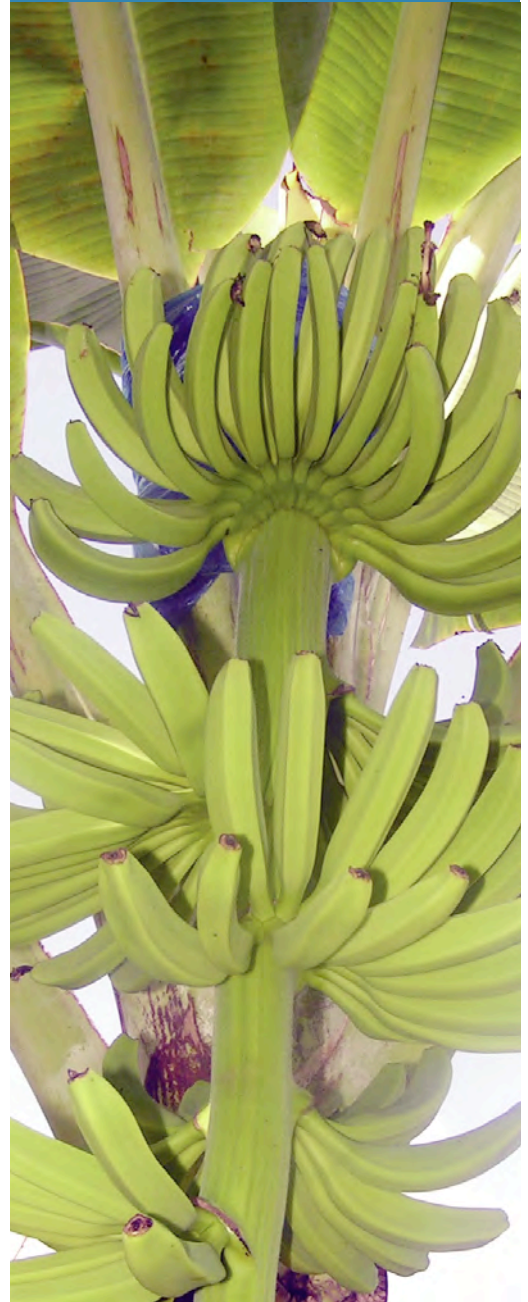
People, Land & Opportunity

TABLE OF CONTENTS

| | |
|--------------------|---|
| Corporate Profile | |
| Board Members | 4 |
| Chairman's Message | 5 |
| Executive Summary | 6 |

GENERAL EXTENSION ACTIVITIES

| | |
|-----------------------------------------------------------------|-------|
| Farmer Training | 9-10 |
| On-Farm Water Management | 11 |
| Crop Care | 12-13 |
| Marketing Extension | 14 |
| Land Husbandry | 15 |
| Social Services/ Home Economics | 16-17 |
| National Youth in Agriculture/ Schools Agriculture Programme | 18 |
| Agricultural Shows and Exhibitions | 19 |
| Domestic Food Crop Production | 20 |
| Inter-Agency Collaboration | 21 |



| | |
|--------------------------------------------------------------|-------|
| PROJECTS | |
| Backyard Poultry Production | 22-25 |
| Area Development Project | |
| Domestic Food Crop Production and Marketing Project | |
| Fruit Tree Crop Project | |
| Jamaica Bauxite Institute (JBI) Funded Projects | |
| Agri-Business Information System (ABIS) | |
| Social & Economic Support/ Production Incentive Programme | |
| Staff Training | 26 |



NATIONAL BOARD OF DIRECTORS



From top L-R: Messrs Christopher Levy, Hopeton Fraser, Dr. Michael Witter (Chairman), Albert Shand, Dr. Richard Harrison (Permanent Secretary). Bottom L-R: Messrs Aubrey Taylor, Lenworth Fulton, Mrs. Doneth Brown-Reid, Messrs Milton Hodelin and Donovan Reid.

Dr. Michael Witter, Chairman
Head, Department of Economics
 University of the West Indies, Mona

Dr. Richard Harrison
Permanent Secretary
 Ministry of Agriculture

Mr. Albert Shand
Executive Director
 Rural Agricultural Development
 Authority (RADA)

Donovan Reid
Managing Director/ CEO
 National Irrigation Commission (NIC)

Lenworth Fulton
Executive Director
 Jamaica 4-H Clubs

Mr. Milton Hodelin
Director, Regional Implementation
 National Works Agency (NWA)

Dorothy Llewellyn
Senior Director, Associated Companies,
 MIS/EDP
 Development Bank of Jamaica Ltd.

Doneth Brown-Reid
Branch Manager
 Guardian Life Insurance Co. Ltd.

Christopher Levy
Vice President, Aquaculture Group
 Jamaica Broilers Ltd.

Hopeton Fraser, OD, JP
President
 College of Agriculture, Science &
 Education (CASE)

Aubrey Taylor, JP
President
 Dairy Farmers' Federation

M *Chairman's* Message



Michael Witter
Chairman

The process of transformation of RADA accelerated in 2006-7 along the directions pointed by the Strategic Plan that was being finalized. The highlights of this process were:

- The drafting of a succession plan for the executive of the organization
- The implementation of the new, higher qualifications for extension officers
- The drive to complete the implementation of ABIS
- The support for the strategies to eliminate the deficit in the Pension Fund
- The re-energizing of the work of the Finance and Audit and the Project Committees of the Board

In February 2007, the most current draft of the Strategic Plan was presented to the Board, following a period of review by staff members to ensure that all inputs were incorporated. It was agreed to proceed with elements of the plan such as the Succession Plan for executives in light of the imminent retirement of the Authority's leadership. As a parallel exercise, the Cabinet Secretariat was to be invited to resume its review of RADA's structure. At the request of the Permanent Secretary, the ongoing work of preparing the Plan was to be dovetailed in the proposed review of the structure of the Ministry itself.

ABIS is regarded as essential to positioning RADA as a knowledge providing organization for the agricultural sector and more broadly for the rural communities. With a more technology intensive approach to training, communication and to agricultural production, it was decided that extension officers had to have higher education levels as well as regular training courses to keep them abreast of the technological changes.

The Trustees of the RADA staff Pension Fund are to be commended for their efforts to make the Fund compliant with the new regulations and to eliminate the deficit. The Board provided financial support as well as guidance in the process, and considerable progress was made during fiscal year 2006/7.

The new Board that was named in 2006 reconstituted its two principal committees and mandated them to support the drive for improved compliance with financial deadlines and for more efficient and effective implementation of projects. The Authority's capacity to meet its audit deadlines was improved with the decision to acquire a new accounting package, and with the mobilization of additional man-power.

Once again, the extension and other technical staff, the administrative and financial staff, and the executive of the organization must be commended for their efforts to use the organization's limited resources efficiently to meet the Authority's goals. However, the Chairman wishes to make a special commendation to the staff for undertaking the planning activities for the medium and long run transformation of the organization to make it more relevant for the challenges of agriculture and rural development. The preparation of a succession plan that entailed the upgrading of capacities as well as the replacement of retirees is a signal achievement of a mature organization that must be acknowledged.

Executive Summary



Albert Shand
Executive Director

The year under review was spectacularly different from those of the recent past as the island experienced no hurricanes during the period. There were however production inhibiting challenges all be it of a different nature. These challenges although not nearly as overwhelming as an hurricane did pose some difficulties for the timely roll out of some programmes. The Authority was however undaunted by the challenges and did manage through creative means and collaborative work to keep all mission critical activities on track and as a consequence, performance when measured against output was quite encouraging. Output for 2006 review period was 19.6% over that of the previous year. Actual production climbed 76,095 tonnes, moving from 391,707 tonnes in 2005 to 467802 tonnes in 2006.

It must be stated that this level of increase in a real sense represents production restoration as it followed declines occasioned by hurricanes in 2004 and 2005 when the island experienced three hurricanes. Even although increase did nothing more than help the country to recover lost ground we wish to advance the view that the speed of the recovery was made possible only because of the cumulative impact of mix of programmes, projects and enabling schemes implemented wholly by the Authority or in collaboration with its interagency partners.

It must also be stated that the performance of our farmers was functionally related to the benefits they derived from the series of integrated interventions that emanated from the Authority's extension delivery programmes describes elsewhere in this report. These programs had a propelling impact upon farming communities and not only was there growth in farm output but also in those value-added enterprises that were impacted by the Authority's interventions.

Farm output may have even been greater during the review period but for the persistence of the following production inhibiting factors

- Scarcity of tractor service for land preparation
- The considerable high levels of praedial larceny which have discouraged expansion in production of certain crops
- Scarcity of some planting materials and the general high cost of some production inputs
- Lack of irrigation facilities to sustain production during dry spells
- Competition from imports
- Poor road infrastructure in the hinterland

In an overall sense the year in review although challenging was very rewarding for our farmers as measured by their performance and also rewarding for the Authority in terms of the successes that emanated from its interventions. Some indicators of this success were as follows:

- The influx of farmers who have demonstrated an expression of interest in expensive greenhouse technology and have actually invested in the venture.
- The number of farmers investing in and enquiring about irrigation infrastructure in furtherance of sustainable production
- The number of farmers using the services of the Authority to obtain duty concession on the importation of farm vehicles and equipment
- The number of income generating enterprises –own account and group based that have been nurtured by the Authority
- The discovery, containment/ suppression of new pests and diseases
- The thousands of producers/buyers relying upon the Authority as their main source of marketing intelligence
- The overwhelming response of the public to agricultural shows and exhibitions staged by the Authority or in which it has a major presence
- The extent to which other rural development agencies rely upon the services of the Authority to enhance delivery to their clients

A major effect of the totality of interventions during the review period was the improvement in operational efficiency of farmers and value-added producers impacted by the range of programmes and projects that were implemented. Not only were there growth in output but there was also a discernable improvement in the quality of life within farm families who benefited from these interventions.







Farmer Training

The period under review proved to be very challenging as a result of several divisional constraints which were crucial to farmer training and technology transfer. Most noticeable these was the retirement of several key specialists upon whom the division rely to a substantial degree for the planning and delivery of its farmer training programmes. Budgetary insufficiency was also another major deterrent to the operationalization of the plan of work proposed by the division. Notwithstanding these challenges there were significant accomplishments in Plant Health/Food Safety and general dissemination of technical information by way of onfarm demonstrations, participatory workshops and seminar and group farm tours which exposed farmers to new technology and production methods. Arising from these interventions twenty one thousand nine hundred thirty four farmers (21934) were trained in the following areas during the staging of nine hundred eighty six training sessions

conducted islandwide mostly by the Authority's technical officers.

The following areas were covered:

- On-farm water management
- Integrated pest management
- Cop Production Techniques
- Fertilizer Application and crop nutrition
- Protective agriculture
- Orchard management
- Post harvest management
- Marketing
- Organic farming
- Apiculture
- Management of small livestock
- Land husbandry and watershed management
- Group Dynamics
- Records Management
- Farm planning and management
- Cost of production



In addition to these numbers countless other farmers, prospective farmers and students engaged in agricultural disciplines were also reached albeit in an indirect way through technical publications, the staging of agricultural and educational shows and exhibitions and mass media releases. RADA throughout the period under review managed to carry out the various farmer training activities through collaboration with various local and international agencies. These collaborations served the Authority tremendously, especially in areas in which it had resource shortfalls. These agencies included USAID, USDA APHIS, and COLEACP, CARDI, IICA, UWI, NEPA, MEFL, JEA, Greenhouse Growers Association, input suppliers and other farmers groups. ■

Summary of Achievements

| <i>Activity</i> | <i>Achievements</i> |
|------------------------------------|---------------------|
| No. of farmer training sessions | 986 |
| No. of farmers trained | 21,934 |
| Demonstration plots | 39 |
| Technical publications | 119 |
| Agricultural shows and exhibitions | 16 |



On-Farm Water Management

During the year under review the unit made a concerted effort to ensure the effective use of available water in both rain fed and irrigated agricultural areas. Technical advice, guidance and financial support formed part of the main activities undertaken as officers focused on fulfilling the mandate of improving the water

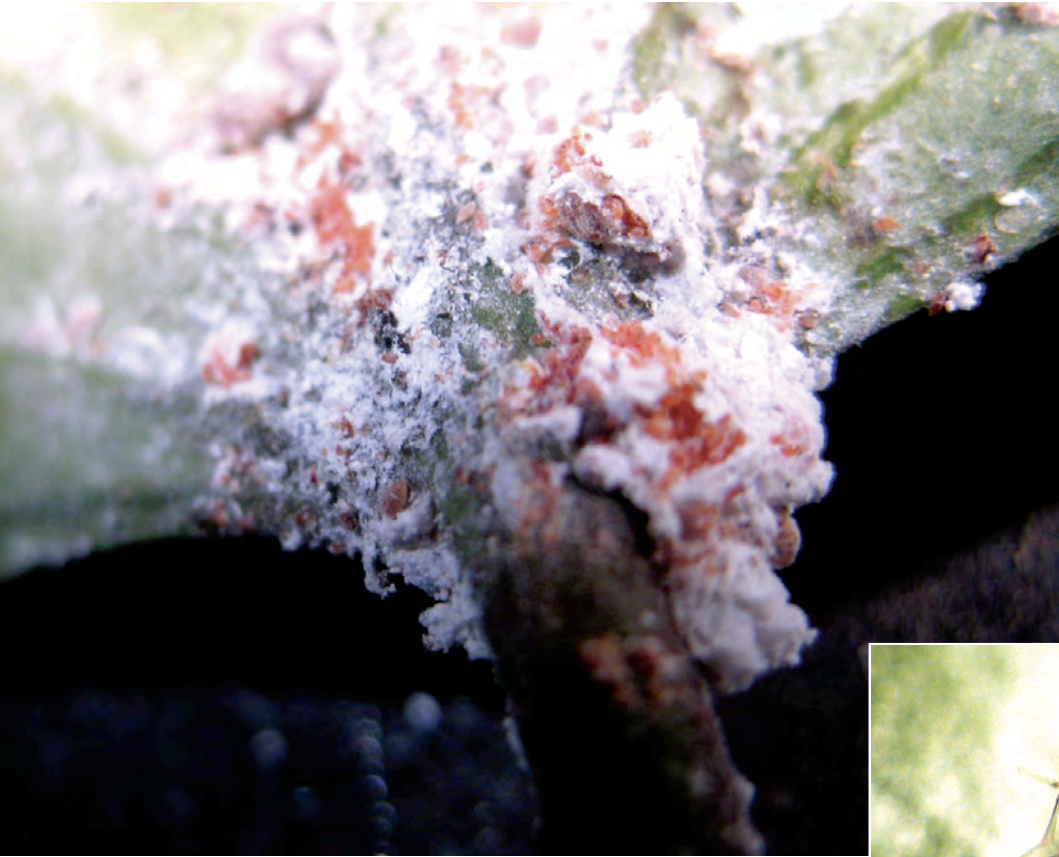
management practices of farmers. The interventions and activities of the unit were implemented through farm visits, training days, the development of water users groups, the design and development of irrigation proposals, investigating water sources and installing systems on demonstration plots and farmers holdings.

Summary of Achievements

| Activity | Target | Achievements |
|-----------------------------|--------|--------------|
| Water Source Investigations | 32 | 249 |
| Systems Designed | 144 | 329 |
| Systems Installed | 50 | 55 |
| Demonstration Plots | 4 | 3 |
| Farmer Training Sessions | 12 | 60 |
| Number of Farmers | 1,200 | 1,322 |
| Shows/Exhibitions | 4 | 3 |

The unit in collaboration with the Food And Agriculture Organization and The ASSP implemented irrigation projects on their behalf in Clarendon, St. Catherine, Portland, St. Ann. New irrigation systems were installed in these areas and 70 farmers benefited.

The unit earned \$224144 as a result of training exercises and installations conducted on behalf of other agencies and the sale of Training Manuals. ■



Crop Care

This programme functions in a substantial way to achieve the following:

- Increase in crop production and productivity through improved pest management practices
- Compliance with trading requirements through improved phyto-sanitary and food safety standards.
- Awareness and compliance with approved practices for pests and pesticides management
- Enhanced pest and pesticides management capability through coordinated action at various levels.

Most interventions were accordingly directed at:

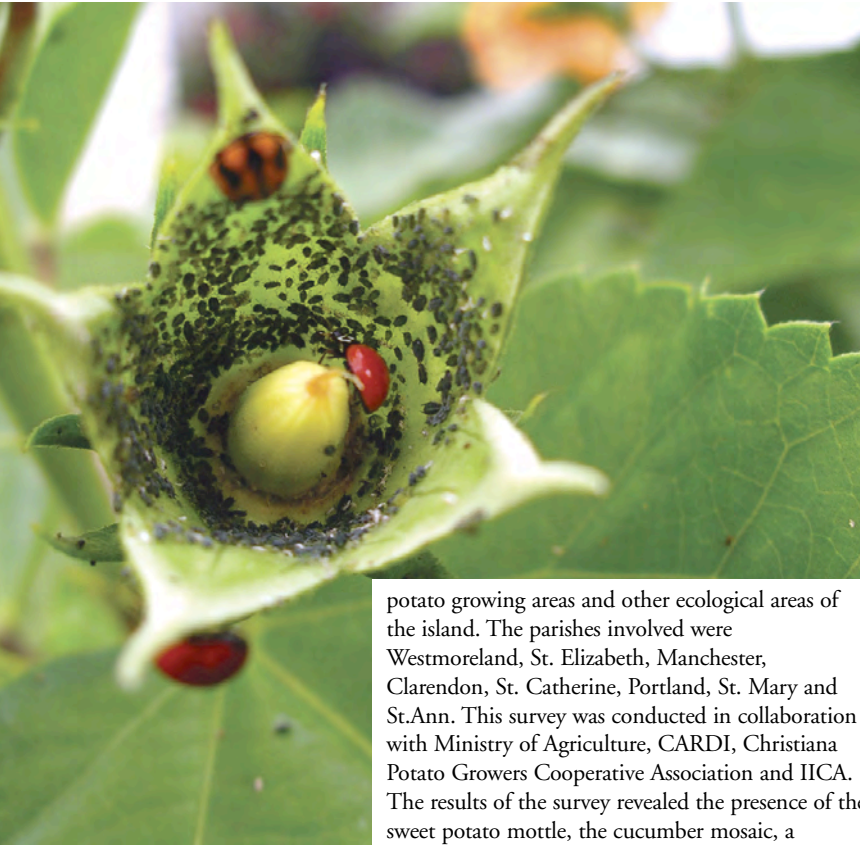
- Containment/suppression of notable pests and diseases affecting plant health
- Food Safety
- Pesticides management and safety standards
- The application of environmentally friendly practices
- Pest detection surveys
- Farmer and staff training

The year under review was challenging for the Crop Care unit. Beside routine surveillance for pest incidence, farmers advisory and pest management services, the staff had to be engaged in unscheduled activities such as the emergency response to the discovery in Jamaica of the Lime Swallow Tail Butterfly, a potentially serious pest of citrus. Despite this and various other challenges the unit can report encouraging results from all its interventions particularly in areas relating to plant health, food safety, pest and pesticide management and information dissemination.

Pest Surveillance

10,522 routine pest surveillance visits were made across the island. The pest main focus was on pests of quarantine and economic importance such as the Mediterranean fruit fly, the pink hibiscus mealy bug, giant African snail, papaya mealy bug, papaya ringspot virus, moko disease, hot pepper gall midge and the ensign scale.

A new survey was conducted to determine the occurrence of sweet potato viruses in the major sweet



potato growing areas and other ecological areas of the island. The parishes involved were Westmoreland, St. Elizabeth, Manchester, Clarendon, St. Catherine, Portland, St. Mary and St. Ann. This survey was conducted in collaboration with Ministry of Agriculture, CARDI, Christiana Potato Growers Cooperative Association and IICA. The results of the survey revealed the presence of the sweet potato mottle, the cucumber mosaic, a colimovirus and the potato chlorotic virus (Portland only). Followup efforts will seek to produce virus free planting materials through tissue culture technology

Pesticides Monitoring

28,890 farm visits were made to monitor the use of pesticides by farmers, and to offer guidance where inappropriate practices were observed.

Integrated Pest Management (IPM)

RADA successfully coordinated, planned and hosted the RADA/IPM CRSP Global Interactive Cartography Pest Surveillance Project (IPM CRSP) information technology workshop. The workshop involved participants from North Carolina and Pennsylvania State Universities, CARDI, MOAL, UWI, NEPA, Natural History Museum, USDA-APHIS, USAID, JEA, and the Ministry of Health. RADA was chosen as the lead agency for this USAID/IPM CRSP funded project on the use of



information technology for pest surveillance. The project is a Caribbean regional exercise under the PROCICARIBE Caribbean IPM Network. It will involve establishment of an island-wide pest surveillance programme initially for fruit flies of the *Anastrepha* genus. Data on pest infestation and associated ecological and farmer practice information will be uploaded via the world-wide web to a database to be developed by Penn State University. This will display data spatially on maps. It will be able to address invasive alien species in general as well, thereby providing a potentially highly useful tool for regional species detection and bio-containment. The system will be subsequently shared with other Caribbean states through the regional project. ■

Summary of Achievements

| Activity | Achievements |
|-------------------------------------|--------------|
| Field Visit | 12,113 |
| Pesticides Monitoring visits | 28,890 |
| Pest Surveillance | 10,522 |
| Pest Specimen Submission | 242 |
| Demonstration Plots | 6 |
| Validation Plots | 9 |
| Med Fly Surveillance Visits | 915 |
| Papaya Ring spot Virus Surveillance | 840 |
| Ensign Scale Surveillance | 1,439 |
| Farmers Trained | 3,826 |





Marketing Extension Services

These services were provided to facilitate the scheduled and structured marketing of large volumes of high quality fresh produce within a competitive environment. Most interventions were therefore directed at the development and sustenance of an operational framework within which farmers and demand centres were able to function with a reasonable degree of

certainty and mutual trust. The marketing unit offered leadership and training in the entire exercise in an effort to minimize threats to production and trade. This became an inescapable responsibility of the marketing unit owing to its centrality in brokering supply arrangements on behalf of farmers with demand centres. These arrangements tend to breakdown in instances where sensitive issues relating to quality standards, payment terms, competition, pricing and delivery schedules were not handled with tact and expedition.

The unit therefore placed strong emphasis on farmer training and the formation/strengthening of production marketing groups with a view to empowering them to become better managers of the processes involved in the marketing of high quality produce. Accordingly a series of training sessions were conducted for all marketing groups in areas of cost of production and profit calculation, production scheduling, grading, packaging and quality standards. One of the outcomes of these interventions was the scheduled production and organized marketing of 2,579,175 Kg of fresh produce by the groups that have trained. The output was sold mainly to the hotel trade and had a value of \$129M. ■

Summary of Achievements

| Activity | Target | Achievements |
|-------------------------------------------------------------|--------|--------------|
| Marketing production and Training workshops | 32 | 249 |
| Movement of Fresh Produce | 144 | 329 |
| Group Training sessions | 50 | 55 |
| Farmer Training Sessions | 4 | 3 |
| Production and Distribution of Training Materials | 12 | 60 |
| Formation and Strengthening of production/ marketing groups | 1,200 | 1,322 |



Land Husbandry

Sustainable agricultural production particularly in watershed areas is constantly under threat owing to inappropriate practices by farmers and other stakeholders operating in these areas. This programme through a series of integrated interventions has had a measure of success in alerting farmers about the consequences that their individual and collective actions has had upon soil fertility and livelihood preservation within these areas.

Strong emphasis was placed upon information dissemination by way of theoretical training sessions and practical on farm demonstrations. In these demonstrations the use of inexpensive but none-the-less effective soil treatments were highlighted. The use of simple measures such as check dams, individual basins, grassed waterways; ally cropping, vegetative barriers, stone barriers, minimum tillage, and planting along contours were main features of the training exercises.

The scopes of our interventions were somewhat restricted because of budgetary constraints as only \$1.2 M was allocated during the period to support this programme.

Summary of Achievements

| Activity | Achievements |
|--------------------------------------------------------------------------------------------|--------------|
| Agronomic Methods Vegetative barriers, Intercropping, Cover and mulching | 936 Ha |
| Structural Methods Vegetative barriers, Intercropping, Cover and mulching | 125,212M |
| Soil Fertility Management Vegetative barriers, Intercropping, Cover and mulching | 100 Ha |
| Farmer training sessions | 249 |
| No. of farmers trained | 6,000 |



Social Services Home Economics

The Social Services/Home Economics Unit is the arm of the extension delivery system that works with the rural women, empowering them to become better home managers and income earners while enhancing family and community life.

Throughout the year the unit implemented a series of targeted training and interventions which enabled rural women and youths to use their creative ideas and talents to address issues relating to their social, financial, nutritional and health situations. Training sessions were conducted within groups during which the membership of 82 communities acquired knowledge and enabling skills in the following areas

- Home management and resource utilization
- Home food production, preparation and preservation
- Agro-processing
- Family Nutrition
- Art and craft

- Child development and family life
- Budgeting and money management
- Prevention and management of chronic non-communicable diseases
- Small business management
- Inter-personal relationship and team building

Summary of Achievements

| Activity | Achievements |
|------------------------------------------------|--------------|
| No. of groups serviced | 84 |
| Group Training sessions | 938 |
| Attendance | 10,299 |
| Home visits | 993 |
| Establishment of small livestock enterprise | 2 |
| Home gardens established | 196 |
| Food Promotion exhibitions | 96 |
| Support to Income Generating Micro-enterprises | 22 |
| Development of New Products from Agricultural | 3 |
| Consumer education fora | 41 |

Income Generating Enterprises

The major income generating enterprises supported by the Unit performed with varying degrees of success over the period: details are as follows:

Summary of Achievements

| Enterprises | No. of Persons Directly Employed | Quantity of Raw Materials Used kg. | Main Products | Value of Products \$ |
|---------------------------------|----------------------------------|------------------------------------|------------------------------------|----------------------|
| Twickenham Industries | 22 | 236,313 Cassava | Bammies, Pancake mix, Fruit syrups | 9,561,482 |
| Flower Hill Cooperative Society | 10 | 68,320 Cassava | Bammies | 4,649,655 |
| Hanover Chips | 3 | 8,282 Root crops | Chips | 893,250 |
| Lime Tree Gardens Industry | 10 | 12,385 Peanuts | Peanut products | 2,368.625 |
| Sues Cottage Industry | 6 | 21 tins Tamarind | Tamarind balls | 12,768 |



- **Twickenham Industry**

Expansion of the physical plant was completed during the year and six new stoves were purchased to allow for an increase in production, to satisfy increase demand for products. This investment in the development of the physical facility is projected to achieve a near 50% increase in both out put and revenue in the next financial year.

- **Belfast Tamarind Sauce Project** Construction work on the building, to house the tamarind sauce production activities, was approximately 90% completed during the period. On completion, the product will be manufactured for commercial distribution. The new tamarind sauce forms a part of the development of value-added and enterprise development activities..

Impact of programme activities

Some important outcomes of interventions under the programme were

- Development of community and own account income generating enterprises
- Strengthening of the family as a cohesive and productive unit
- Provision of additional outlets for the utilization of indigenous raw materials
- Creation of employment opportunities within rural communities thus reducing rural/urban migration ■





National Youth in Agriculture/School Agriculture Programme

This programme was initiated by the Authority to re-ignite interest in agriculture within schools. The following were the main objectives:

1. To reintroduce and revitalize the teaching of agriculture in schools
2. To introduce students to the practical and business aspects of agriculture
3. To supply a portion of the nutritional needs of those schools having a school feeding program
4. To create an awareness amongst students about the importance of agriculture to the Jamaican economy.

The programme has assisted seventy schools with loans and grants to assist them to become engaged in an

agricultural enterprise of their own choosing. These loans/grants have been used to upgrade or establish school farms for both tutorial and commercial purposes. The Authority's extension officers worked collaboratively with agricultural teachers within participating schools to ensure the promotion of good agricultural practices on school farms. Nine of these schools were awarded prizes during the World Food Day celebrations sponsored by the FAO. Sixteen schools are scheduled to receive further assistance in grow box and hydroponics production funded by the FAO Telefood Project. Twenty-two other schools are slated to receive assistance under the Development Bank of Jamaica Adopt a school Project. The Authority has been approached to offer technical guidance to these schools in chicken rearing, greenhouse technology and other areas. ■



Agricultural Shows and Exhibition

The Authority has made regular use of public displays to expand its coverage and outreach. The use of parish level office open days and national level exhibitions to promote the Authority's range of services to mass audiences have been quite successful in terms of public participation, level of interest, queries, and feedback. The Authority also plays a central role in the planning and staging of all major agricultural and educational

show within the island. These occasions are also used to publicize the Authority's range of services, highlight trends and opportunities in agriculture, best practices, inter-agency collaboration and to stimulate interest in agriculture and related enterprises. ■



Domestic Food Crop Production

Domestic food crop production for 2006 increased by 19.6% when compared with that of 2005. Total production increased from 391,707 tonnes in the earlier period to 467,802.1 tonnes in the latter period





Inter-Agency Collaboration

Close operational linkages were maintained with a number of agencies involved with agriculture and rural development. This approach not only allowed for cost effective delivery of services and the realization of synergies but also gave the Authority access to additional resources – human, physical, technical, informational and financial. Without this level of functional cooperation, performance under on-going programmes such as farmer training, on-farm water management, social services, home economic, land husbandry, marketing extension, crop care, and ABIS would have been further constrained.

The following were the leading sources from which support was derived:

- International Institute for Cooperation in Agriculture (IICA)
- Jamaica Bauxite Institute (JBI)
- Jamaica Agricultural Society (JAS)
- National Irrigation Commission (NIC)
- Food and Agricultural Organization (FAO)
- The European Union (EU)
- United States Agency for International Development (USAID)
- United States Department of Agriculture (USDA)
- Sandals Group of Hotels
- Pesticides Control Authority (PCA)
- Agricultural Support Services Project (ASSP)
- Jamaica 4-H Club
- Caribbean Food and Nutrition Institute (CFNI)
- Ministry of Agriculture Research & Development and Plant Quarantine/Produce Inspection Divisions
- Christiana Potato Growers' Cooperative Association (CPGCA)
- Caribbean Agricultural Research & Development Institute (CARDI)
- University of the West Indies (UWI)
- Northern Caribbean University (NCU)
- North Carolina State University
- Pennsylvania State University
- Virginia Polytechnic & State University
- PROCICARIBE
- The Commonwealth of Learning (COL)
- Scientific Research Council (SRC)
- Jamaica Social Investment fund (JSIF)
- Food for the Poor
- Grace Agricultural Division
- Jamaica Business Development Centre (JBDC)
- Statistical Institute of Jamaica (STATIN)
- Water Resources Authority (WRA)
- The Planning Institute of Jamaica (PIOJ)
- Ministry of Education



Projects

The Authority implements a range of projects funded from internal and external sources. These projects have impacted in a positive way upon the biological environment and the production and income generating capabilities of farmers and other stakeholders. Sustainable production is a major emphasis of these projects and consequently they embraced components that focused upon capacity building, technology transfer, and the provision of high quality inputs for crop, livestock and value added production.

Backyard Poultry Production

This project was funded by The Food and Agricultural Organization (FAO) and targeted ten (10) female headed households in the rural communities of Brandon Hill and Mount Friendship both in St. Andrew. Each was supplied with a 200 capacity broiler unit with storage and slaughtering facilities. Training in production, slaughtering and food safety was provided for all participants. At the end of the period under review 11,604kg broiler meat was produced and sold in community outlets.

Area Development Project

These projects facilitated the take-off of community driven development proposals often in instances where the beneficiaries were unable to mobilize the financial resources needed to procure production inputs. During the review period the Authority allocated \$4.3 Million from its Capital Budget to facilitate the commencement of twelve (12) such projects in eight (8) parishes to benefit 295 farmers. The projects included api-culture, goat rearing, broiler production, pepper, plantain and yam production. These projects are all in their start up phases.

Domestic Food Crop and Marketing Project

This project from its inception in 1998 targeted the production of a selected group of crops which were determined by survey to have a high local and export demand and for which there were regular shortages.

Crops targeted: Negro yam, yellow yam, sweet potato, red coco, tomato, hot peppers, escallion, plantain, dasheen and exotic vegetables.

Production support to farmers initially covered areas such as minor irrigation, land preparation, planting materials, marketing information and technology transfer but was expanded during the review period to include protective agriculture. The aim was to accelerate the spread of this technology within the main farming districts.

In furtherance of this objective two (2) greenhouses were constructed and another under construction. These will double as demonstration centers and commercial enterprises. This intervention has already begun to have a positive impact in term of farmer interest. Several of them particularly in St. Ann have begun to embrace the technology and have commenced greenhouse construction on their farms from their own resources.

Summary of Achievements

| Activity | Target | Achievements |
|--------------------------------------------------------------------------------------------------------------------------------------------|------------------|--------------------------------------------|
| Crop establishment | 120 ha. | 61 ha. |
| Greenhouse Construction | 3 | Two (2) constructed; one (1) 75% complete. |
| Irrigation installation | 100 Drip Systems | 65 installed |
| No. of farmers trained | 60 | 47 |
| No. of farmers | 1,100 | 1,050 |
| Marketing workshops | 8 | 8 |
| Major agricultural shows | 4 | 8 |
| <i>Budget approved</i> - \$14.034 M <i>Revised budget</i> - \$9.99 M <i>Allocation</i> - \$8.656 M <i>Expenditure</i> - \$7.375 M | | |

Under achievement in some areas resulted from untimely and inadequate budgetary allocation.

Fruit Tree Crop Project

This project was funded from the Authority's Capital Budget and aims to encourage the production of fruits in properly maintained orchards. The intention is to increase the supply of fruits to levels that will satisfy both the demand from processors and from the fresh market. Although the project placed strong emphasis on new planting it also has a tree rehabilitation component. Under this component farmers were trained through practical demonstrations to cut back over-grown trees to manageable heights which will allow for easier reaping and more prolific bearing.



The project has been well publicized and has attracted considerably more applicants than its budget for the review period could accommodate. Sixty-one (61) farmers wishing to establish 384 hectares had to be placed on a waiting list to be addressed during the coming year.

Achievements

Farmers were assisted with plants, fertilizer, chemicals and technical advise.

Types of plants: ackee, avocado, breadfruit, cashew, guava, guinep, jackfruit, june plum, mango, naseberry, nutmeg, otaheite apple, soursop and tamarind.

Summary of Achievements

| <i>Activity</i> | <i>Target</i> | <i>Achievements</i> |
|------------------------------------|---------------|---------------------|
| Seedlings distributed | 35,000 | 26,098 |
| Hectares established | 180 | 102 |
| Training sessions | 20 | 32 |
| No. of farmers trained | 800 | 704 |
| Demonstration plots | 12 | 5 |
| Trees resuscitated | 300 | 265 |
| <i>Budget approved - \$17.158M</i> | | |
| <i>Allocation - \$9.872M</i> | | |

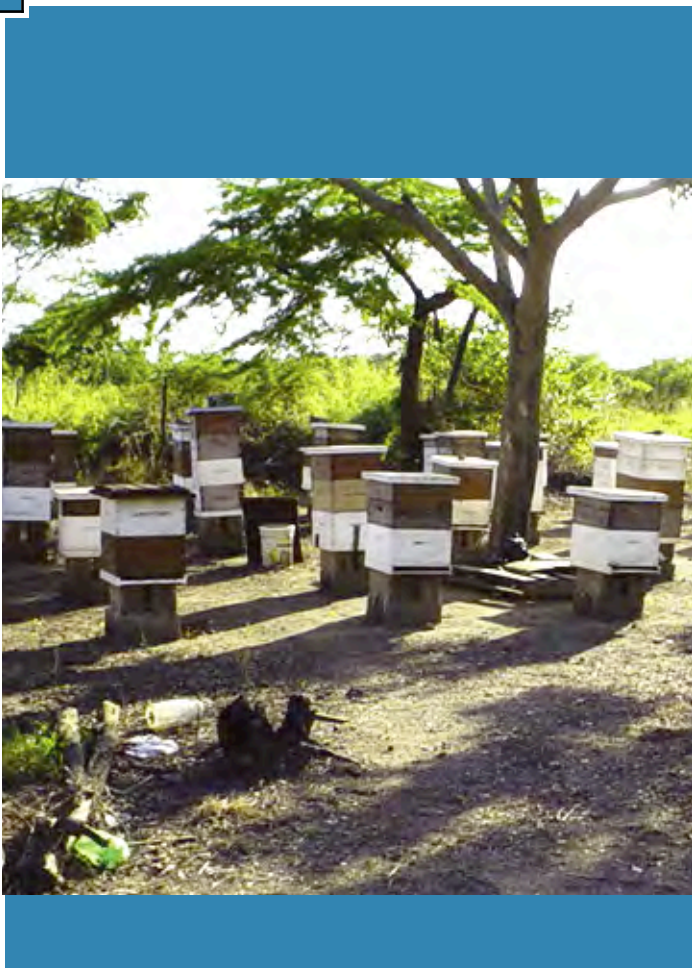


**Jamaica Bauxite Institute (JBI)
Funded Project**

The Authority has been the implementing agency for the Jamaica Bauxite Institute funded agricultural projects. The main aim of these projects is livelihood preservation particularly for those farmers who have been affected in one way or another by mining operations. The Authority working closely with Bauxite Community Councils has over the years developed a range of projects in crop, livestock and value added production. Several million dollars have been spent on production and training for thousands of farmers and related interest in the affected communities. Most interventions were directed at stakeholders operating within Essex Valley in St. Elizabeth, Mocho, Mitchell Town and Sandy Bay in Clarendon, Bodles and Ewarton in St. Catherine, Faiths Pen, Walkerswood, Rio Hoe and Discovery Bay in St. Ann and the Manchester Plateau. Thousands of farmers in these areas were assisted with material inputs- seeds, livestock, bee colonies, fertilizer, chemicals, tractor service and technical advice that enable them to become to become profitable engage in an enterprise of their choice.

**Agri-Business Information
System (ABIS)**

RADA continues the task of developing the Agri-Business Information System (ABIS) which when completed will facilitate the processing of data on stakeholders and their activities, be a repository of technical information, assist stakeholders to buy and sell produce and forecast key



agricultural variables. It will function to boost capacity and competitiveness while simultaneously measuring performance.

Farmer Registration

The Authority has embarked upon a national farmer registration program in an effort to provide ABIS with an up-to-date register of all farmers. This exercise has three basic components data gathering, data entry, and data verification. To date over 90,000 farmers have been registered in ABIS. The registration of all farmers will continue.

Inputs distributed: planting materials, fertilizer, pesticides, spraying equipment, small tools, water tanks, fishing equipment, broiler chicks and other small livestock, medication, bee rearing supplies among other inputs and animal feed. These programmes also have an infrastructural component, which allowed for repairs to be carried out on a few roads.

Social and Economic Support/ Production Incentive Programmes

Under the crop and livestock components of these programmes the operational efficiency and income generating capabilities of farmers were enhanced through the provision of technical advice together with critical production inputs.

During the period under review the Authority expended a total of 47.2M in the implementation and completion various agricultural development sub-projects across the island. These specific and targeted interventions made by the Authority in the various rural communities directly affected and benefited over some 10,000 farmers.

Inputs distributed: planting materials, fertilizer, pesticides, spraying equipment, small tools, water tanks, fishing equipment, broiler chicks and other small livestock, medication, bee rearing supplies among other inputs and animal feed. These programmes also have an infrastructural component, which allowed for repairs to be carried out on a few roads. ■





Staff Training

Various categories of staff benefited from development training covering a wide range of disciplines specially chosen to enhance their delivery capabilities.

All field officers were exposed to training, chiefly in areas of plant health, where funding support was most forthcoming. This involved various pests including lime swallowtail butterfly recognition and management, surveillance for West Indian Fruitfly, general pest recognition, as well as application of a new Crop Care reporting format. Other areas of training included emergency response to avian influenza and a stakeholder analysis in Life-long Learning for Farmers (L3F) system. The L3F system brings farming communities, financing institutions, markets and technical support entities together, in a coordinated collaborative system for enhanced productivity, earnings and sustained rural development.

One hundred forty three officers were trained in the listed topics. Funding for the entire exercise was from the Government of Jamaica, USAID and the IDB-funded Agricultural Support Services Project (ASSP).

Memorable Moments

able and Economically V

Discipline of Disciplines

Role of Agriculture



- ### JOB
- Central Government
- Ministry of Agriculture
 - Ministry of Fisheries
 - Ministry of Livestock
 - Ministry of Forestry
 - Ministry of Land
 - Ministry of Water
 - Ministry of Transport
 - Ministry of Health
 - Ministry of Education
 - Ministry of Labour
 - Ministry of Finance
 - Ministry of Planning
 - Ministry of Information
 - Ministry of Environment
 - Ministry of Housing
 - Ministry of Social Services
 - Ministry of Culture
 - Ministry of Sports
 - Ministry of Youth
 - Ministry of Gender
 - Ministry of Human Resources
 - Ministry of Science and Technology
 - Ministry of Energy
 - Ministry of Industry
 - Ministry of Trade
 - Ministry of Tourism
 - Ministry of Defence
 - Ministry of Police
 - Ministry of Fire
 - Ministry of Prisons
 - Ministry of Public Works
 - Ministry of Local Government
 - Ministry of Regional Development
 - Ministry of Infrastructure
 - Ministry of Transport and Road Safety
 - Ministry of Maritime Affairs
 - Ministry of Airports
 - Ministry of Shipping
 - Ministry of Ports
 - Ministry of Civil Aviation
 - Ministry of Maritime Transport
 - Ministry of Air Transport
 - Ministry of Road Transport
 - Ministry of Railways
 - Ministry of Air Force
 - Ministry of Navy
 - Ministry of Army
 - Ministry of Air Force
 - Ministry of Navy
 - Ministry of Army

AGRICULTURE

How to start a business plan

1. Identify your business

2. Research your market

3. Write your business plan

4. Get financing

5. Start your business

AGRICULTURE BUSINESS PLAN

The Blueprint of your business plan

1. Executive Summary

2. Business Description

3. Market Analysis

4. Organization and Management

5. Products and Services

6. Marketing and Sales

7. Financial Projections

8. Appendix

BEEKEEPING DEV. PROGRAM

Youth Development

1. Beekeeping as a business

2. Beekeeping as a hobby

3. Beekeeping as a service

4. Beekeeping as a research

5. Beekeeping as a conservation

6. Beekeeping as a cultural

7. Beekeeping as a social

8. Beekeeping as a religious

9. Beekeeping as a political

10. Beekeeping as a spiritual



Memorable Moments



Appendices

| | |
|-----------------------------------------------------------------|----|
| Training | 30 |
| Social and Economic Support/ Production Incentive Programmes | 31 |
| Crop Care | 32 |



Training

| PARISHES | S T A F F | | Content | No Trained | F A R M E R S | | Farm Visits | Demo. Plots | ALLOCATION | EXPENDITURE | REMARKS |
|------------------|-----------|------------|---------------------------------------------------------------------------------------|------------|----------------------|------------|---------------|-------------|----------------|----------------|------------------------------------------------------------------------------------------------------|
| | Local | Foreign | | | Training Days Target | To date | | | | | |
| St. Catherine | 9 | nil | Avian influenza / Bird flu, Accounting Level 1 Module 3 | 9 | 144 | 85 | 1,001 | 12 | 57,000 | 47,430 | Advised on the need to scout fields and spray only by need an using IPM approach in Pest Management. |
| St. Andrew | 8 | nil | Avian influenza / Bird flu, Pest Recognition, Reception skills | 8 | 96 | 84 | 2,313 | 7 | 91,660 | 84,542 | |
| St. Thomas | 9 | nil | Avian influenza / Bird flu, Accounting Level 1 Module 2, Level 2 Module 5 | 9 | 96 | 29 | 1,179 | nil | 80,000 | 71,894 | |
| St. Mary | 8 | nil | Avian influenza / Bird flu, Pest Recognition, Computer Technology | 8 | 96 | 59 | 3,210 | 1 | 80,000 | 36,476 | |
| Portland | 9 | nil | Avian influenza / Bird flu, Pest Recognition, Government Accounting, Computer tech. | 9 | 96 | 89 | 3,039 | 14 | 40,000 | 42,969 | |
| St. Ann | 9 | nil | Avian influenza / Bird flu, Accounting Level 1 Module 3, Computer tech. | 9 | 120 | 102 | 2,361 | 1 | 95,588 | 80,236 | |
| Clarendon | 9 | nil | Avian influenza / Bird flu, Administrative Management. | 9 | 144 | 88 | 1,566 | nil | 57,000 | 61,660 | |
| St. Elizabeth | 12 | nil | Avian influenza / Bird flu, Pest Recognition, Government Accounting, Level 1 Module 5 | 12 | 144 | 130 | 1,732 | nil | 69,240 | 124,078 | Additional funds carry-forward from last F/ year. |
| Manchester | 9 | nil | Avian influenza / Bird flu, Pest Recognition, Government Accounting. | 9 | 120 | 109 | 2,387 | nil | 50,000 | 92,800 | Additional funds carry-forward from last F/ year. |
| Sub Total | 82 | nil | | 82 | 1,056 | 775 | 18,788 | 35 | 620,488 | 542,085 | |

*Social Economic Support/
Production Incentive Programmes*

| PARISHES | LIVESTOCK PRODUCTION | | | | CROP PRODUCTION | | | | Allocation | Expenditure | Beneficiaries | REMARKS |
|---------------|----------------------|-----------------|-----------------|------------|-----------------|------------------|----------------|--------------------|-------------------------------------------|-------------|---------------|-------------------------------------------------------------------------|
| | Cattle | Small Livestock | Day old Chicken | Feed (bag) | Seeds (kg) | Fertilizer (bag) | Tools (pieces) | Chemicals (litres) | | | | |
| St. Catherine | nil | 32 | 26,799 | 3,548 | nil | 298 | 21 | 19 | 100 banana suckers, 1 tank 27 rolls wire, | 6,666,659 | 660 | |
| St. Andrew | nil | nil | 27,724 | 3,452 | 0.01 | 35 | 29 | nil | | 3,872,933 | 579 | |
| St. Thomas | nil | 2 | 14,225 | 2,265 | 6.16 | 61 | 96 | 12 | 6 r. wire, 1 sprayer, 4 W tanks | 2,300,000 | 285 | |
| St. Ann | nil | 21 | 4,925 | 584 | 12.6 | 645 | 86 | 2 | 19 w. tanks, 1 wire 20 sprayer | 2,011,674 | 951 | |
| St. Mary | nil | 13 | 6,728 | 973 | 25 | 378 | 129 | 74 | 9 sprayer, 6 rolls wire | 1,882,076 | 727 | |
| Portland | nil | 7 | 4,575 | 923 | 24.93 | 420 | 56 | 156 | 22 rolls wire, 1,500 Seedlings | 3,099,479 | 516 | |
| Manchester | nil | 1 | 8,853 | 726 | 333.81 | 1,165 | 3 | 27 | 83 Sprayers, L prep, 1.4 ha, 5 wire | 3,970,705 | 1,227 | 1 community centre also established. |
| St. Elizabeth | nil | 29 | 15,151 | 2,755 | 2,278.76 | 1,805 | 60 | 290 | 6.4 ha land prep, 13 w tank, 59 r.w. | 7,200,012 | 1,397 | Additional expenditure brought forward from 2005 / 2006 financial year. |
| Clarendon | nil | 9 | 46,697 | 6,575 | 147.5 | 980 | 26 | 17.5 | 16 W tank, 3 sprayer 6 Rolls wire, | 7,605,636 | 1,650 | Additional expenditure brought forward from 2005 / 2006 financial year. |
| St. James | nil | 57 | 7,350 | 933 | 4.82 | 432 | 56 | 148 | 15 sprayer L prep, 6 ha, 15 rolls wire | 2,161,290 | 379 | |
| Hanover | nil | 12 | 7,000 | 959 | 457.48 | 206 | 46 | 28 | 36 rolls wire, 45 tanks L prep, 4.1ha | 2,100,000 | 398 | |
| Trelawny | nil | 4 | 3,725 | 567 | 2.2 | 419 | 2 | 28 | 16 R.wire, 3 sprayers | 1,174,949 | 264 | |
| Westmoreland | nil | 41 | 14,527 | 2,053 | 2.11 | 255 | 59 | 141 | 25 water tanks, 16 rolls wire, 4 spray, | 2,819,345 | 735 | Also construction of community foot bridge. |
| TOTAL | nil | 228 | 188,279 | 26,318 | 3,183.45 | 7,098 | 669 | 943 | | 55,361,800 | 9,768 | |
| | | | | | | | | | | 46,864,758 | | |

Crop Care

| PARISHES | TRAINING SESSIONS | | SURVEILLANCE VISITS (pest) | PESTICIDES monitoring observations | FIELD VISITS | DEMO. PLOTS | VALIDATION PLOTS | SPECIMEN SUBMISSIONS | SPECIAL MONITORING VISITS | REMARKS |
|---------------|-------------------|--------------|----------------------------|------------------------------------|---------------|-------------|------------------|----------------------|---------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| | Formal | Informal | | | | | | | | |
| St. Catherine | 35 | 114 | 1,405 | 2,484 | 624 | nil | 1 | 83 | 7 | Farmer training component of Pesticide Initiative Programme (PIP) Training of Trainers Workshop on Proper Pesticide Use (Jan '06) continued. All topics of training were assessed by SPHFSS and PHFSA. Specimen Vials/bags for the collection of pest have been acquired and have being distributed to the parishes. Four validation treatments for the management of sorrel wilt established at Trade Winds Citrus Ltd. Bog Walk (St. Catherine) |
| St. Andrew | 3 | 75 | 444 | 528 | 492 | 1 | 2 | 18 | 5 | |
| St. Thomas | 21 | 79 | 914 | 928 | 270 | nil | nil | 25 | 8 | |
| Portland | 26 | 840 | 1,215 | 3,464 | 1,750 | 2 | 1 | 24 | 86 | |
| St. Mary | 30 | 164 | 1,504 | 2,582 | 1,604 | nil | nil | nil | 2 | |
| St. Ann | 47 | 123 | 775 | 2,359 | 681 | nil | 1 | 21 | 4 | |
| Clarendon | 26 | 150 | 549 | 1,899 | 1,091 | nil | nil | 25 | 13 | |
| Manchester | 52 | 215 | 287 | 410 | 599 | nil | nil | nil | nil | |
| St. Elizabeth | 50 | 433 | 525 | 2,696 | 733 | nil | nil | nil | 16 | |
| St. James | 13 | 73 | 324 | 2,728 | 1,360 | nil | 1 | 1 | 29 | |
| Hanover | 29 | 63 | 85 | 919 | 331 | nil | nil | 2 | 13 | |
| Trelawny | 10 | 64 | 249 | 699 | 239 | nil | nil | 1 | nil | |
| Westmoreland | 21 | 208 | 378 | 373 | 576 | nil | nil | nil | nil | |
| TOTAL | 363 | 2,401 | 8,654 | 22,068 | 16,530 | 3 | 6 | 200 | 153 | |



RADA

Financial Statement

31 March 2007

2006-2007

Index

| | |
|---------------------------------------------------------------------|-------|
| Auditors' report to the Rural Agricultural Development Authority | 34 |
| FINANCIAL STATEMENTS | |
| Balance Sheet | 35 |
| Recurrent Income and Expenditure Account | 36 |
| Capital and Expenditure Account | 37 |
| Statement of Changes in Equity | 38 |
| Statement of Cash Flows | 39 |
| Notes to the Financial Statements | 40-53 |
| SUPPLEMENTARY INFORMATION | |
| Comparison of Capital Grants and Expenditure to Budget | 54 |
| Comparison of Recurrent Income and Expenditure to Budget | 55 |
| Income Generation Account | 56 |



INDEPENDENT AUDITORS' REPORT

**To the Board of
Rural Agricultural Development Authority**

Report on the Financial Statements

We have audited the financial statements of the Rural Agricultural Development Authority set out on pages 3 to 21 which comprise the balance sheet as at 31 March 2007, and the statements of income, changes in equity and cash flows for the year then ended and a summary of significant accounting policies and other explanatory notes.

Management's Responsibility for the Financial statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards and the Jamaican Rural Agricultural Development Authority Act 1990. This responsibility includes: designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and consistently applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal controls relevant to the Authority's preparation and fair presentation of the financial statements 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 entity's internal controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, proper accounting records have been kept and the financial statements which are in agreement therewith give a true and fair view of the Authority's financial position as at 31 March 2007, and of its financial performance, changes in equity and its cash flows for the year then ended in accordance with International Financial Reporting Standards and comply with the provisions of the Jamaican Rural Agricultural Development Authority Act 1990.

A handwritten signature in black ink that reads 'BDO Jamaica'.

Chartered Accountants
15 October 2008

Partners: V.K. Markman, K.A. Wilson, R.L. McFarlane, S.M. McFarlane
• Offices in Montego Bay, Mandeville and Ocho Rios
A member of BDO International

BALANCE SHEET

YEAR ENDED 31 MARCH 2007

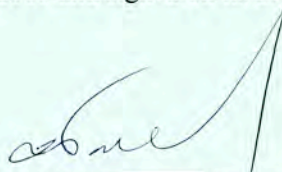
Page 2

| | <u>Note</u> | <u>2007</u> <u>\$'000</u> | <u>2006</u> <u>\$'000</u> |
|----------------------------------------|-------------|------------------------------|------------------------------|
| <u>ASSETS</u> | | | |
| NON CURRENT ASSETS: | | | |
| Property, plant and equipment | 4 | 44,231 | 51,269 |
| Retirement benefit assets | 5 | <u>54,643</u> | <u>41,773</u> |
| | | <u>98,874</u> | <u>93,042</u> |
| CURRENT ASSETS: | | | |
| Receivables | 6 | 49,010 | 47,886 |
| Taxation recoverable | 7 | 10,950 | 10,775 |
| Cash and bank balances | 8 | <u>204,738</u> | <u>199,661</u> |
| | | <u>264,698</u> | <u>258,322</u> |
| | | <u>363,572</u> | <u>351,364</u> |
| <u>EQUITY AND LIABILITIES</u> | | | |
| RESERVES: | | | |
| Capital reserve | 9 | 16,023 | 16,023 |
| Capital fund | 10 | 129,395 | 121,697 |
| Recurrent account | | <u>(15,396)</u> | <u>(73,794)</u> |
| | | 130,022 | 63,926 |
| LONG TERM LIABILITY | 11 | - | 16,719 |
| DEFERRED INCOME | 12 | <u>1,672</u> | <u>2,508</u> |
| | | <u>131,694</u> | <u>83,153</u> |
| CURRENT LIABILITIES: | | | |
| Payables | 13 | 101,064 | 83,758 |
| Project advances | 14 | 53,519 | 40,909 |
| Motor vehicle loan fund | 15 | 73,181 | 139,320 |
| Current portion of long term liability | 11 | <u>4,114</u> | <u>4224</u> |
| | | <u>231,878</u> | <u>268,211</u> |
| | | <u>363,572</u> | <u>351,364</u> |

Approved for issue by the Board of Directors on 27 November 2008 and signed on its behalf by:



Roger Turner - Chairman



Al Powell - Executive Director

RECURRENT INCOME AND EXPENDITURE ACCOUNT

YEAR ENDED 31 MARCH 2007

Page 3

| | <u>2007</u> <u>\$'000</u> | <u>2006</u> <u>\$'000</u> |
|-----------------------------------------------------|------------------------------|------------------------------|
| INCOME: | | |
| Government of Jamaica Subvention | 499,515 | 439,211 |
| Net income from income generating account (page 23) | 1,172 | 910 |
| Miscellaneous income | 9,465 | 9,251 |
| Interest earned | <u>21,863</u> | <u>14,869</u> |
| | <u>532,015</u> | <u>464,241</u> |
| EXPENDITURE: | | |
| Salaries, wages and related charges | 400,297 | 314,163 |
| Public utilities | 13,748 | 11,521 |
| Motor vehicle maintenance | 5,805 | 7,448 |
| General office expenses | 31,156 | 12,839 |
| Seminars and meetings | 449 | 1,008 |
| Repairs and maintenance | 5,646 | 4,147 |
| Consultancy | 1,421 | 219 |
| Bank charges and interest | 292 | 427 |
| Upkeep/travelling and subsistence | 72,739 | 60,904 |
| Directors' and committee meetings | 581 | 365 |
| Rental of buildings | 569 | 413 |
| Security | 2,067 | 1,873 |
| Printing and stationery | 3,667 | 4,702 |
| Bad debts | - | - |
| Audit fee | <u>1,300</u> | <u>1,234</u> |
| | <u>539,737</u> | <u>421,263</u> |
| (Deficit)/surplus before depreciation | (7,722) | 42,978 |
| Less depreciation | (16,293) | (27,871) |
| Gain on disposal | <u>82,413</u> | <u>3,119</u> |
| SURPLUS FOR THE YEAR | <u>58,398</u> | <u>18,226</u> |

CAPITAL GRANTS AND EXPENDITURE ACCOUNT

YEAR ENDED 31 MARCH 2007

Page 4

| | <u>2007</u> <u>\$'000</u> | <u>2006</u> <u>\$'000</u> |
|--------------------------------------------------------|------------------------------|------------------------------|
| INCOME: | | |
| Government of Jamaica Grants | 31,016 | 43,235 |
| DEVELOPMENT EXPENDITURES: | | |
| Grant for crop production and extension - Crop care | 1,152 | 114 |
| Grants for production incentive for small farmers - | | |
| Area of Development project | 1,463 | 202 |
| Training | 4,425 | 119 |
| Social service/home economics | 1,515 | 823 |
| Marketing extension | 257 | 170 |
| Tree Crop Project | 2,715 | 8,061 |
| Domestic Food Crop | 6,551 | 2,526 |
| Farm Irrigation | 1,075 | 211 |
| Forestry - | | |
| Soil survey and conservation | 1,188 | - |
| Rural Development - | | |
| Building repairs and construction | <u>2,977</u> | <u>478</u> |
| | <u>23,318</u> | <u>12,704</u> |
| SURPLUS FOR THE YEAR | <u>7,698</u> | <u>30,531</u> |

STATEMENT OF CHANGES IN EQUITY

YEAR ENDED 31 MARCH 2007

Page 5

| | <u>Capital Funds</u> <u>\$'000</u> | <u>Capital Reserve</u> <u>\$'000</u> | <u>Recurrent Account</u> <u>\$'000</u> | <u>Total</u> <u>\$' 000</u> |
|-----------------------------------|-------------------------------------------|---------------------------------------------|-----------------------------------------------|--------------------------------|
| Balances at 31 March 2005 | 91,166 | 12,576 | (92,020) | 11,722 |
| Increase in reserves | - | 3,447 | - | 3,447 |
| Increase in capital fund (page 4) | 30,531 | - | - | 30,531 |
| Increase in recurrent account | <u>-</u> | <u>-</u> | <u>18,226</u> | <u>18,226</u> |
| Balances at 31 March 2006 | 121,697 | 16,023 | (73,794) | 63,926 |
| Increase in capital fund (page 4) | 7,698 | - | - | 7,698 |
| Increase in recurrent account | <u>-</u> | <u>-</u> | <u>58,398</u> | <u>58,398</u> |
| Balances at 31 March 2007 | <u>129,395</u> | <u>16,023</u> | <u>(15,396)</u> | <u>130,022</u> |

STATEMENT OF CASH FLOWS

YEAR ENDED 31 MARCH 2007

Page 6

| | <u>2007</u> <u>\$'000</u> | <u>2006</u> <u>\$'000</u> |
|------------------------------------------------------|------------------------------|------------------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES: | | |
| Surplus on recurrent income and expenditure account | 58,398 | 18,226 |
| Surplus on capital grant and expenditure account | <u>7,698</u> | <u>30,531</u> |
| | 66,096 | 48,757 |
| Adjustments for: | | |
| Depreciation | 16,293 | 27,871 |
| Gain on disposal of property, plant and equipment | <u>(82,413)</u> | <u>(3,119)</u> |
| | (24) | 73,509 |
| Changes in operating assets and liabilities - | | |
| Receivables | (1,124) | (10,311) |
| Taxation recoverable | (175) | (2,038) |
| Project advances | 12,610 | 19,992 |
| Payables | 17,306 | 1,597 |
| Motor vehicle loan fund | (66,139) | 32,544 |
| Deferred income | (836) | (836) |
| Pension plan surplus | <u>(12,870)</u> | <u>(23,592)</u> |
| Net cash (used in)/provided by operating activities | <u>(51,252)</u> | <u>90,865</u> |
| CASH FLOWS FROM FINANCING ACTIVITIES: | | |
| Loan repayments | <u>(16,829)</u> | <u>(25,259)</u> |
| Net cash used in financing activities | <u>(16,829)</u> | <u>(25,259)</u> |
| CASH FLOWS FROM INVESTING ACTIVITIES: | | |
| Sales proceed from disposal | 82,413 | 4,818 |
| Addition to fixed assets | <u>(9,255)</u> | <u>(13,307)</u> |
| Net cash provided by /(used in) investing activities | <u>73,158</u> | <u>(8,489)</u> |
| NET INCREASE IN CASH AND CASH EQUIVALENTS | 5,077 | 57,117 |
| Cash and cash equivalents at beginning of year | <u>199,661</u> | <u>142,544</u> |
| CASH AND CASH EQUIVALENTS AT END OF YEAR | <u>204,738</u> | <u>199,661</u> |

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2007

Page 7

1. **STATUS AND PRINCIPAL ACTIVITY:**

The Authority is incorporated in Jamaica under the Jamaican Rural Agricultural Development Authority Act 1990 and is directly owned by the Government of Jamaica. The Authority is funded by the Ministry of Finance and is accountable to that Ministry through the Ministry of Agriculture. The principal objective of the Authority is to manage, operate, maintain and expand existing and future agricultural schemes established by the Government of Jamaica with special emphasis on extension services to small farmers.

2. **REPORTING CURRENCY:**

These financial statements are expressed in Jamaican dollars.

3. **SIGNIFICANT ACCOUNTING POLICIES:**

(a) **Basis of preparation -**

These financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) and their interpretations adopted by the International Accounting Standards Board, and have been prepared under the historical cost convention.

The preparation of financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of income and expenditure during the reporting period. Actual results could differ from those estimates and any adjustments that may be necessary would be reflected in the year in which actual results are known.

(b) **Revenue recognition -**

Grants or subvention receipts for recurrent expenditure are recognized on a cash basis. Interest income is recognized as it accrues unless collectibility is in doubt.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2007

Page 8

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D):

(c) Capital grant -

Grants receipts that relates to agricultural extension services and the related expenditure are accounted for in the capital grants and expenditure account.

(d) Project advances -

Grants receipts from government and other funding agents that relate to specific projects are held as liabilities of the Authority until expended. Surplus receipts are returned to the grantors if required by the related grant agreements or transferred to the related capital or recurrent income and expenditure account when it is certain that no further expenditure will be incurred.

(e) Property, plant and equipment -

Property, plant and equipment are stated at historical cost or “deemed cost” less accumulated depreciation and accumulated impairment losses. At adoption of IFRS the carrying values comprised a combination of costs and market values. These values have been deemed to be cost as allowed by IFRS.

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

| | |
|--------------------------------|-----|
| Motor cycles and vehicles | 20% |
| Computers | 20% |
| Office furniture and equipment | 10% |
| Building | 2½% |

(f) Impairment -

The carrying amounts of the authority’s tangible and intangible assets are reviewed at each balance sheet date to determine whether there is any indication of impairment. If any such indication exists, the asset’s recoverable amount is estimated in order to determine the extent of the impairment loss, if any. An impairment loss is recognised whenever the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. Impairment losses are recognised in the recurrent income and expenditure account.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2007

Page 9

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D):

(g) Foreign currency translation -

Balances in foreign currency are translated at the rate of exchange ruling at balance sheet date. Transactions during the year are converted at the exchange rates prevailing at the dates of the transactions. Gains or losses on translation are dealt with in the recurrent income and expenditure account.

(h) Financial instruments -

Financial instruments include transactions that give rise to both financial assets and financial liabilities. Financial instruments carried on the balance sheet include cash and bank balances, long term liabilities and borrowing facilities. The particular recognition methods adopted are disclosed in the respective policy statements associated with each item.

(i) Provisions -

Provisions are recognized when the authority has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount of the obligation can be made.

(j) Employee benefits -

(i) Retirement benefit asset -

The authority participates in a defined benefit pension plan. The assets of which are held in separate trustee – administered funds. The pension scheme is generally funded by payments from employees and by the Authority, taking into account the recommendations of independent qualified actuaries.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D):

(j) Employee benefits (cont'd) -

(i) Retirement benefit asset (cont'd) -

The pension plan costs are assessed using the projected unit credit method. Under this method, the cost of providing pension is charged to the recurrent income and expenditure account so as to spread the regular cost of service over the service lives of the employees in accordance with the advice of qualified actuaries, who carry out a full valuation of the plan every year. The pension obligation is measured as the present value of the estimated future cash outflows using interest rates of government securities which have terms of maturity approximating the terms of the related liability. All actuarial gains and losses are spread forward over the remaining service lives of the employees.

(ii) Leave accrual -

All outstanding leave is recognized in the recurrent income and expenditure account.

(k) Motor vehicle loan fund -

The Authority operates a motor vehicle lease programme with participating employees. A five year loan was used to finance the purchase of the motor vehicles leased to the employees. All the costs associated with servicing the loan will be borne by the employees. Lease payments made by employees are treated as deposits towards the final sales price of the vehicle. If the option to sell the vehicle to the participating employees at end of the lease period is not exercised then the deposit will be converted to lease income and the associated loan costs will be expensed to the recurrent account.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2007

Page 11

4. PROPERTY, PLANT AND EQUIPMENT:

| | <u>Land and Building</u> \$'000 | <u>Construction In-Progress</u> \$'000 | <u>Office Furniture, Computers and Equipment</u> \$'000 | <u>Motor cycles and Vehicles</u> \$'000 | <u>Total</u> \$'000 |
|-----------------------------------|----------------------------------------|-----------------------------------------------|----------------------------------------------------------------------------|--------------------------------------------------------|------------------------|
| At cost - | | | | | |
| 1 April 2006 | 18,986 | 1,104 | 39,275 | 124,047 | 183,412 |
| Additions | 197 | - | 7,824 | 234 | 9,255 |
| Disposal | - | - | - | (60,782) | (60,782) |
| | <u>20,183</u> | <u>1,104</u> | <u>47,099</u> | <u>63,499</u> | <u>131,885</u> |
| At valuation - | | | | | |
| 1 April 2006 and 31 March 2007 | - | - | - | 15,851 | 15,851 |
| Total cost and valuation | <u>20,183</u> | <u>1,104</u> | <u>47,099</u> | <u>79,350</u> | <u>147,736</u> |
| Depreciation - | | | | | |
| 1 April 2006 | 3,339 | - | 26,399 | 118,256 | 147,994 |
| Eliminated on disposal | - | - | - | (60,782) | (60,782) |
| Charge for the year | 487 | - | 3,615 | 12,191 | 16,293 |
| | <u>3,826</u> | <u>-</u> | <u>30,014</u> | <u>69,665</u> | <u>103,505</u> |
| Net Book Value - | | | | | |
| 31 March 2007 | <u>16,357</u> | <u>1,104</u> | <u>17,085</u> | <u>9,685</u> | <u>44,231</u> |
| 31 March 2006 | <u>15,647</u> | <u>1,104</u> | <u>12,876</u> | <u>21,642</u> | <u>51,269</u> |

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2007

Page 12

5. RETIREMENT BENEFIT ASSETS:

The Authority operates a defined benefit pension plan which is open to all permanent employees employed directly by the Rural Agricultural Development Authority and is managed by an independent outside agency. The plan is funded by employee's contributions in accordance with the rules of the plan. Retirement and other benefits are based on average salary for the last three years of pensionable service. The latest actuarial valuation was carried out as at 31 March 2007.

The amounts recognised in the balance sheet are determined as follows:

| | <u>2007</u> <u>\$'000</u> | <u>2006</u> <u>\$'000</u> |
|-------------------------------------|------------------------------|------------------------------|
| Present value of the obligation | (131,407) | (89,393) |
| Unrecognised actuarial loss/ (gain) | 14,011 | 10,534 |
| Fair value of plan assets | <u>172,039</u> | <u>120,632</u> |
| Net asset in balance sheet | <u>54,643</u> | <u>41,773</u> |

The amount recognized in the recurrent income and expenditure statement in respect of defined benefit plan is as follows:

| | <u>2007</u> <u>\$,000</u> | <u>2006</u> <u>\$,000</u> |
|--------------------------------|------------------------------|------------------------------|
| Current service cost | 1,476 | 2,456 |
| Interest cost | 11,869 | 10,648 |
| Expected return on plan assets | <u>(12,781)</u> | <u>(11,660)</u> |
| Net pension expense | <u>564</u> | <u>1,444</u> |

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2007

Page 13

5. RETIREMENT BENEFIT ASSETS (CONT'D):

Movements in the net retirement benefit asset in the year were as follows:

| | <u>2007</u> | <u>2006</u> |
|----------------------------|---------------|---------------|
| | <u>\$'000</u> | <u>\$'000</u> |
| Asset at beginning of year | 41,773 | 18,181 |
| Amounts charged to income | (564) | (1,444) |
| Contributions paid | <u>13,434</u> | <u>25,036</u> |
| Asset at end of year | <u>54,643</u> | <u>41,773</u> |

The principal actuarial assumptions used were as follows:

| | <u>2007</u> | <u>2006</u> |
|-----------------------------------|-------------|-------------|
| Discount rate | 12.5% | 12.5% |
| Expected return on plan assets | 10% | 10% |
| Expected rate of salary increases | <u>9.5%</u> | <u>9.5%</u> |

The retirement benefit asset recognized in the year ending 31 March 2007 is as reported in the actuarial report for the year ended 31 March 2007.

6. RECEIVABLES:

| | <u>2007</u> | <u>2006</u> |
|-----------------------------------------|-----------------|-----------------|
| | <u>\$'000</u> | <u>\$'000</u> |
| Motor vehicle interest recovery account | 35,951 | 31,920 |
| Motor vehicle loans | 9,224 | 12,507 |
| Staff loans | 4,842 | 3,123 |
| Other receivables | <u>-</u> | <u>1,343</u> |
| | 50,017 | 48,893 |
| Less provision for bad debt | <u>(1,007)</u> | <u>(1,007)</u> |
| | <u>49,010</u> | <u>47,886</u> |

The motor vehicle interest recovery account represent amounts paid to Crown Agent services Limited and is recoverable from employees.

7. TAXATION RECOVERABLE:

This represents tax withheld at source from interest earned.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2007

Page 14

8. CASH AND BANK BALANCES:

This consist of funds in the following cash and bank accounts at 31 March.

| | <u>2007</u> <u>\$'000</u> | <u>2006</u> <u>\$'000</u> |
|------------------------------------|------------------------------|------------------------------|
| Imprest account - | | |
| St. Andrew | 45 | 51 |
| St. Mary | 221 | 263 |
| Clarendon | 321 | 222 |
| Portland | 130 | 88 |
| St. Ann | 196 | 204 |
| Westmoreland | 70 | 81 |
| St. James | 286 | 121 |
| St. Elizabeth | 168 | 50 |
| Trelawney | 142 | 91 |
| Manchester | 1,353 | 1,085 |
| St. Catherine | 368 | 109 |
| Hanover | 46 | 13 |
| St. Thomas | <u>108</u> | <u>86</u> |
| | <u>3,454</u> | <u>2,464</u> |
| Capital accounts - | | |
| Head Office | 3,823 | 19,874 |
| St. Andrew | 4,359 | 2,162 |
| St. Thomas | 680 | 300 |
| St. Catherine | 5,156 | 3,426 |
| Portland | 2,014 | 1,082 |
| St. Mary | 4,656 | 2,228 |
| St. Ann | 2,624 | 1,617 |
| Trelawney | 1,408 | 769 |
| St. James | 1,160 | 794 |
| Hanover | 638 | 682 |
| Westmoreland | 2,609 | 1,548 |
| St. Elizabeth | 2,867 | 2,680 |
| Manchester | 5,531 | 3,512 |
| Clarendon | <u>2,815</u> | <u>1,997</u> |
| | <u>40,340</u> | <u>42,671</u> |
| Balance carried forward to page 15 | <u>43,794</u> | <u>45,135</u> |

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2007

Page 15

8. **CASH AND BANK BALANCES (CONT'D):**

| | <u>2007</u> | <u>2006</u> |
|----------------------------------------------|----------------|----------------|
| | <u>\$'000</u> | <u>\$'000</u> |
| Balance brought forward from page 14 | 43,794 | 45,135 |
| Other - | | |
| Head office bank account | 5,894 | 2,844 |
| Petty Cash Float | 13 | 6 |
| Motor vehicle revolving loan savings account | 2,640 | 3,730 |
| Foreign currency accounts | 788 | 4,247 |
| Fixed deposits | 148,325 | 137,923 |
| Salaries account | 683 | 4,019 |
| Staff welfare account | 1,128 | 460 |
| Income generating account | <u>1,473</u> | <u>1,297</u> |
| | 160,944 | 154,526 |
| | <u>204,738</u> | <u>199,661</u> |

Included in the above amount is \$36,160,682 (18%) which represents funds received on behalf of Members of Parliament to be spent in their constituencies under the different programmes as indicated in note 14(a).

9. **CAPITAL RESERVE:**

| | <u>2007</u> | <u>2006</u> |
|--------------------------------------------|---------------|---------------|
| | <u>\$'000</u> | <u>\$'000</u> |
| This represents grants received from: | | |
| Morant Yallahs Project - Motor vehicles | 6,509 | 6,509 |
| - Motor cycles | 195 | 195 |
| Jamaica Bauxite Institute - Motor vehicles | 350 | 350 |
| EJASP - Motor vehicles | 8,134 | 8,134 |
| - Motor cycles | <u>835</u> | <u>835</u> |
| | 16,023 | 16,023 |

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2007

Page 16

10. **CAPITAL FUND:**

| | <u>2007</u> <u>\$'000</u> | <u>2006</u> <u>\$'000</u> |
|-----------------------------------------------|------------------------------|------------------------------|
| Capital Fund brought forward | 121,697 | 91,166 |
| Government of Jamaica Grants | <u>31,016</u> | <u>43,235</u> |
| | 152,713 | 134,401 |
| Less: Development expenditure for the year | (<u>23,318</u>) | (<u>12,704</u>) |
| | <u>129,395</u> | <u>121,697</u> |

11. **LONG TERM LIABILITY-CROWN-AGENTS SERVICES LIMITED:**

| | <u>2007</u> <u>\$'000</u> | <u>2006</u> <u>\$'000</u> |
|-------------------------|------------------------------|------------------------------|
| Balance brought forward | 20,943 | 46,202 |
| Less - repayment | (<u>16,829</u>) | (<u>25,259</u>) |
| Balance carried forward | 4,114 | 20,943 |
| Less current portion | (<u>4,114</u>) | (<u>4,224</u>) |
| Long term portion | <u>-</u> | <u>16,719</u> |

The loan is at an interest rate of 8% and is secured by guarantee from the Ministry of Finance and was used to purchase motor vehicles.

Original loan contract price of US\$1,492,029 between RADA and Crown Agents Services Limited dated 4th May 2001 (Contract#RL7A 2133). 10% due in accordance with Article 3.2a of the agreement. 90% of the contract price was payable in 10 equal semi annual installation. Payments are made in US dollar.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2007

Page 17

12. DEFERRED INCOME:

This represents funds received from Eastern Jamaica Agricultural Support Programme (EJASP) during the year to purchase motor vehicles, which will be amortised over five years.

13. PAYABLES:

| | <u>2007</u> | <u>2006</u> |
|---------------------------|----------------|---------------|
| | <u>\$'000</u> | <u>\$'000</u> |
| Statutory payables - | | |
| Income tax | 387 | 295 |
| National Insurance Scheme | 148 | 794 |
| National Housing Trust | 160 | 1,233 |
| Education tax | 7 | 57 |
| Accrued vacation leave | 94,867 | 73,047 |
| Other payables | <u>5,495</u> | <u>8,332</u> |
| | <u>101,064</u> | <u>83,758</u> |

14. PROJECT ADVANCES:

This represents outstanding balances on the following programmes at 31 March:

(a) PROGRAMMES IMPLEMENTED FOR MEMBERS OF PARLIAMENT-

| | <u>2007</u> | <u>2006</u> |
|---------------------------------------|---------------|---------------|
| | <u>\$'000</u> | <u>\$'000</u> |
| Social and Economic Support Programme | 2,851 | 1,802 |
| Domestic Agricultural Project | 263 | 260 |
| Production incentive | 28,212 | 17,767 |
| Flood relief | 656 | 3,920 |
| Drought and relief | 474 | 1,158 |
| Local Development Programme | <u>3,704</u> | <u>3,448</u> |
| | <u>36,160</u> | <u>28,355</u> |

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2007

Page 18

14. PROJECT ADVANCES CONT'D:

(b) SPECIAL GOVERNMENT OF JAMAICA PROGRAMMES -

| | <u>2007</u> <u>\$'000</u> | <u>2006</u> <u>\$'000</u> |
|-----------------------------------------|------------------------------|------------------------------|
| Pasture Improvement Programme | 5 | 7 |
| Bauxite Community Redevelopment Project | 1,241 | 589 |
| A. B. I. S | 558 | 542 |
| E. J. A. S. P. | - | 3,131 |
| International Aided | 316 | 612 |
| Tree Crop Project | 493 | 21 |
| MYADP Yallahs/Morant Bay | 3,092 | - |
| School Garden Programme | <u>339</u> | <u>255</u> |

6,044 5,157

(c) R.A.D.A PROGRAMMES -

| | | |
|----------|---------------|---------------|
| Projects | <u>11,315</u> | <u>7,397</u> |
| | <u>53,519</u> | <u>40,909</u> |

The funds in (a) were collected and accounted for on behalf of Members of Parliament to be spent in their constituencies.

15. MOTOR VEHICLE LOAN FUND:

| | <u>2007</u> <u>\$'000</u> | <u>2006</u> <u>\$'000</u> |
|-------------------------------------------------------------------------|------------------------------|------------------------------|
| Balance brought forward | 139,320 | 106,776 |
| Add deposit | <u>16,274</u> | <u>32,544</u> |
| | 155,594 | 139,320 |
| Less - deposit transfer as sale proceed from motor vehicle loan fund | (<u>82,413</u>) | <u>-</u> |
| Balance carried forward | <u>73,181</u> | <u>139,320</u> |

See note 3(k) Significant Accounting Policies - Motor Vehicle Loan Fund.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2007

Page 19

16. **EMOLUMENTS FOR MANAGEMENT STAFF:**

During the year under review the number of management staff amounted to twenty four (24) as in the prior year and the cost associated with total emoluments was \$53 million as in the prior year.

17. **STAFF COSTS:**

Staff costs for the year amounted to \$340 million (2006: \$314 million), while the number of employees at year-end was 473 (473– 2006).

18. **FINANCIAL INSTRUMENTS:**

(a) **Currency risk -**

Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign rates. The net foreign currency exposures at 31 March 2007 are as follows, assets/(liabilities) –

| | <u>2007</u> <u>\$'000</u> | <u>2006</u> <u>\$'000</u> |
|------------------|------------------------------|------------------------------|
| United States \$ | | |
| Cash | 662 | 578 |
| Other balances | (61) | (20) |
| | <u>(601)</u> | <u>258</u> |

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2007

Page 20

18. FINANCIAL INSTRUMENTS CONT'D:

(b) 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 loss. The Authority has no significant concentration of credit risk. Cash and bank balances held are placed with substantial financial institutions.

(c) Interest rate risk -

Interest rate risk is the risk that the value of a financial instrument will fluctuate due to changes in market interest rates. The Authority's interest bearing financial instruments include bank balances and long term liabilities. The effective rates of interest impacting these instruments are disclosed in the individual notes to the financial statements associated with each item

(d) Fair values -

The amounts included in the financial statements for bank balances, reflect their approximate fair values because of the short-term maturity of these instruments.

Long term liability approximate its fair value based on the discounted present value of future cash flows.

COMPARISON OF CAPITAL INCOME AND EXPENDITURE TO BUDGET

YEAR ENDED 31 MARCH 2007

Page 21

| | <u>Budget</u> <u>\$'000</u> | <u>Actual</u> <u>\$'000</u> | <u>Variances</u> <u>\$'000</u> |
|---------------------------------------------------------|--------------------------------|--------------------------------|-----------------------------------|
| INCOME: | | | |
| Government of Jamaica Grant | 48,743 | 31,016 | (17,727) |
| <u>DEVELOPMENT EXPENDITURE:</u> | | | |
| Grants for crop production and extension - Crop care | 1,330 | 1,152 | 178 |
| Grants for production incentive for small farmers- | | | |
| Area developing project | 1,650 | 1,463 | 187 |
| Training | 1,525 | 4,425 | (2,900) |
| Marketing extension | 655 | 257 | 398 |
| A.B.I.S | 2,630 | - | 2,630 |
| Farm Irrigation | 1,275 | 1,075 | 200 |
| Social service/home | 1,055 | 1,515 | (460) |
| Forestry - | | | |
| Soil survey and conservation | 1,700 | 1,188 | 512 |
| Rural Development - | | | |
| Building new | 5,500 | - | 5,500 |
| Building repairs | 2,500 | 2,977 | (477) |
| Motor vehicle maintenance | - | - | - |
| Fruit tree crop programme | 17,158 | 2,715 | 14,443 |
| Domestic food crop programme | 11,765 | 6,551 | 5,214 |
| | <u>48,743</u> | <u>23,318</u> | <u>25,425</u> |

COMPARISON OF RECURRENT INCOME AND EXPENDITURE TO BUDGET

YEAR ENDED 31 MARCH 2007

Page 22

| | Revised Estimate of Budget | Actual | Variances |
|-----------------------------------------------------|-------------------------------------------|----------------|------------------|
| | \$'000 | \$'000 | \$'000 |
| INCOME: | | | |
| Government of Jamaica Subvention | 507,458 | 499,515 | (7,943) |
| Net income form income generating account (page 24) | - | 1,172 | 1,173 |
| Miscellaneous income | - | 9,465 | 2,349 |
| Interest earned (net) | - | 21,863 | 9,374 |
| | <u>507,458</u> | <u>532,015</u> | <u>4,953</u> |
| EXPENSES: | | | |
| Salaries, wages and related charges | 400,808 | 400,297 | 511 |
| Public utilities | 14,000 | 13,748 | 252 |
| Motor vehicle maintenance | 1,909 | 5,805 | (3,896) |
| General office | 6,362 | 31,156 | (24,794) |
| Seminars and meetings | 708 | 449 | 259 |
| Repairs and maintenance | 1,251 | 5,646 | (4,395) |
| Consultancy | 508 | 1,421 | (913) |
| Bank charges and interest | 138 | 292 | (154) |
| Upkeep/travelling and subsistence | 73,415 | 72,739 | 676 |
| Directors' and committee meetings | 1,288 | 581 | 707 |
| Rental of building | 541 | 569 | (28) |
| Security | 2,754 | 2,067 | 687 |
| Printing and stationery | 1,113 | 3,667 | (2,554) |
| Audit fee | 1,522 | 1,300 | 222 |
| | <u>506,317</u> | <u>539,737</u> | <u>(33,420)</u> |
| Property, plant and equipment acquisition | <u>1,141</u> | <u>9,255</u> | <u>(8,114)</u> |
| | <u>507,458</u> | <u>548,992</u> | <u>(41,534)</u> |

INCOME GENERATING ACCOUNT

YEAR ENDED 31 MARCH 2007

Page 23

| | <u>2007</u> | <u>2006</u> |
|-----------------------------------------------------------------|---------------|---------------|
| | <u>\$'000</u> | <u>\$'000</u> |
| INCOME: | | |
| Twickenham Bammy project | 13,416 | 10,594 |
| EXPENSES: | | |
| Purchases | 4,987 | 3,637 |
| Direct salaries and commission | 4,795 | 4,306 |
| Travelling and subsistence | 382 | 658 |
| Public utilities | 738 | 653 |
| Liquid gas | 219 | 127 |
| General expenses | <u>1,825</u> | <u>1,358</u> |
| | <u>12,946</u> | <u>10,739</u> |
| Surplus/(deficit) for the year from Twickenham Bammy Project | 470 | (145) |
| Surplus from the Community Development Project | 583 | 917 |
| Molly's cake project | 7 | - |
| Surplus from the Cook Books Project | <u>112</u> | <u>138</u> |
| NET SURPLUS FOR THE YEAR | <u>1,172</u> | <u>910</u> |

DIRECTORY

Corporate Offices

Hope Gardens, Kingston 6
Tel. (876) 977-1158-62
Fax. (876) 977-1158

Division of Technology, Training & Technical Information

Hope Gardens, Kingston 6
Tel. (876) 927-1780-1
Fax. (876) 970-4077

AgriMART

191 Old Hope Road, Kingston 6
Tel. (876) 927-1204

Eastern Zonal Office

197 Old Hope Road, Kingston 6
Tel. (876) 970-0101
Fax. (876) 927-0199

St. Mary Parish Office

Frontier, Port Maria P.O.
Tel. (876) 994-2436
Fax. (876) 994-2632

Portland Parish Office

20 Harbour Street,
Port Antonia P.O.
Tel. (876) 993-2687
Fax. (876) 993-3731

St. Thomas Parish Office

Belfast, Morant Bay P.O.
Tel. (876) 982-2209/ 2496
Fax. (876) 982-1443

St. Ann Parish Office

Claremont P.O.
Tel. (876) 972-3258/ 4216
Fax. (876) 972-2486

St. Andrew Parish Office

197 Old Hope Road, Kingston 6
Tel. (876) 927-1570/ 4216
Fax. (876) 927-0199

Clarendon Parish Office

Denbigh Show Grounds,
May Pen P.O.
Tel. (876) 986-2222/ 2265
Fax. (876) 902-3467

St. Catherine Parish Office

Vanity Fair, Linstead P.O.
Tel. (876) 985-9194/ 2290
Fax. (876) 985-6325

Western Zonal Office

Catherine Hall, Montego Bay
Tel. (876) 952-4803/ 0743
Fax. (876) 952-3661

St. James Parish Office

Catherine Hall, Montego Bay
Tel. (876) 952-1876/ 1879
Fax. (876) 952-3661

Trelawny Parish Office

9 Seaboard Street, Falmouth
Tel. (876) 954-5601/ 3335
Fax. (876) 617-5757

Hanover Parish Office

Haughton Court, Lucea P.O.
Tel. (876) 956-2252
Fax. (876) 956-2378

Westmoreland Parish Office

Llandilo, Savana-la-mar P.O.
Tel. (876) 955-2767/ 4446
Fax. (876) 955-4631

Manchester Parish Office

Belair Hotel, Mandeville
Tel. (876) 962-0477/ 0479
Fax. (876) 926-3279

St. Elizabeth Parish Office

63 Coke Drive, Santa Cruz P.O.
Tel. (876) 966-2285/ 2232
Fax. (876) 966-2100



Directory **TOBY**



RADA

RURAL AGRICULTURAL DEVELOPMENT AUTHORITY

Head Office
Hope Gardens, Kingston 6
Tel: (876) 977-1158-62
Fax: (876) 970-4660
email: rada@cwjamaica.com
www.rada.gov.jm