

Mission Statement

- Promote the diversification of agriculture for the benefit of producers and consumers
- Ensure the regularity of supply
- Stabilise prices of the following commodities:

Table Potatoes

Onion

Garlic

Turmeric (Powder & Finger)

Fresh Milk

Canned Tomatoes

Cardamom

Potato Seed

Onion Seed

Bean Seed





10 August 2004

The Honourable Nandcoomar BODHA
Minister of Agriculture, Food Technology & Natural Resources
Port Louis

Sir

I have the honour to submit the Annual Report of the Agricultural Marketing Board for the years ended 31 December 2001 and 2002 respectively in accordance with the provision of Section 25 of the Mauritius Agricultural Marketing Act of 1963.

Yours faithfully

J RUGOOBUR
Chairman
AGRICULTURAL MARKETING BOARD

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1. General Review

COMMODITY SUPPLY

AMB has ensured that there has been no shortage of any of the commodities which it deals with nor has there been any increase in price. Table potatoes and onions were still being sold at Rs 7.00 per 1/2 kg.

SEED PRODUCTION

AMB has continued to implement its policy of encouraging and sustaining local producers' efforts in the production of seeds under the supervision of the MSIRI. The experience of seed producers justified the maintenance of the scheme which has, as primary objective, the availability of reasonably priced quality seeds to stabilize the cost of production of table potatoes.

STORES

In July 2002, AMB embarked on a major project to renovate and upgrade its cold stores at Moka. These stores, built some thirty years ago, had become obsolete, ineffective and costly to run. Renovation will provide AMB with an additional storage capacity of 4,500 tonnes to bring the total capacity to 10,500 tonnes with better and optimum storage conditions for local planters and dealers of potatoes, onions, vegetables and fruits and also keep the freshness of the produce stored over a longer period. Increased and improved storage capacity will help AMB to better satisfy consumers in terms of quality of products, quantity and timing with respect to product demand. Physical losses would be reduced as well as financial setback to planters as products can be stored in times of over production.

In order to enhance the security of its physical surroundings and assets, AMB will also be completing the construction of a boundary wall and a new retail shop to provide a better customer-oriented approach and attract new customers.

FINANCE

During these two years, reserves have increased from Rs 75 M in December 2000 to Rs 170M in December 2002, reflecting the yearly surpluses of Rs 51 M and Rs 44 M respectively for the year 2001 and 2002.

These reserves will be used to finance the renovation and upgrading costs of Rs 175 M which AMB has contracted in July 2002.

ACKNOWLEDGEMENT

The Board of Directors places on record its appreciation of the valuable contribution of Officers from public and private organizations and individuals who participated in the Board's Advisory Committees and in its activities in general. The devoted services of the employees are also gratefully acknowledged.

2. Board Constitution - 2001 & 2002

2001

The membership of the Agricultural Marketing Board for the years 2001:

NAME	STATUS
1. Mrs N Nababsing	Chairperson
2. Mr M Pillay C.S.K	Vice Chairman
3. Mr R P Nowbuth Mr O. K. Dabidin <i>(as from April)</i>	Representative of the Ministry of Agriculture, Food Technology & Natural Resources
4. Mr A Issarsing Mr R P Nowbuth <i>(as from August)</i>	Representative of the Ministry of Commerce & International Trade
5. Mr C Joory	Representing the Registrar of Cooperatives
6. Mr K Nagheeredy Mr S.J. Suhootoorah <i>(as from November)</i>	Representative of the Ministry of Finance
7. Mr J C Monty	Representative of Mauritius Chamber of Agriculture
8. Dr C Soopramanien	Representative of Mauritius Sugar Industry Research Institute
9. Dr S Goburdhun	Independent Member
10. Mr B Bahadoor M.S.K	Independent Member

2002

The membership of the Agricultural Marketing Board for the years 2002:

NAME	STATUS
1. Mr J Rugoobur	Chairman
2. Mr M Pillay C.S.K	Vice Chairman
3. Mr O. K. Dabidin	Representative of the Ministry of Agriculture, Food Technology & Natural Resources

4.	Mr P Bonomaully	Representative of the Ministry of Industry, Commerce & International Trade
5.	Mr P Sahadew	Representing the Registrar of Cooperatives
6.	Mr S. J. Suhootoorah Mr I. Seebaluck (as from July)	Representative of the Ministry of Finance
7.	Mr J C Monty	Representative of Mauritius Chamber of Agriculture
8.	Dr C Soopramanien	Representative of Mauritius Sugar Industry Research Institute
9.	Dr S Goburdhun (until July)	Independent Member
10.	Mr B Bahadoor M.S.K (until June)	Independent Member
11.	Mr H Daby (as from 31 July 2002)	Independent Member
12.	Mr M Bisesar (as from 31 July 2002)	Independent Member
13.	Mr N Naguib (as from 31 July 2002)	Independent Member
14.	Mr B Manikam (as from 31 July 2002)	Independent Member

3. Sub Committees

- Supplies Committee
- National Potato Committee
- Onion / Garlic Committee
- Finance & Tender Committee
- Staff Committee
- Audit Committee

4. Administrative Staff

The administrative staff for the years 2001 & 2002 was as follows:

General Manager	Mr M Muneesamy	FCCA, FCIS, FCBSI
Assistant General Manager (Operations) (from Oct 2002)	Mr L Jeeha	BSc(Hons), Dip FM, MBA
Senior Engineer (up to August 2001)	Mr S K Sooknunden	B.E (Mechanical)
Internal Auditor	Mr V Soburrun	ACCA
Accountant (as from 29.06.01 to 29.04.02)	Mr A Naeck	ACCA
Personnel Officer	Mr V Mohamudally	BSC. Management

5. Professional Services

(a) AUDITOR	The Government Auditor
(b) BANKERS	State Bank of Mauritius The Bank of Baroda The Mauritius Commercial Bank

6. Meetings

In 2001 & 2002 the following meetings were held

	2001	2002
(a) Board Meeting	10	12
(b) Supplies Committee	11	10
(c) Staff Committee	8	13
(d) Board Special Meeting	3	7
(e) Audit Committee	3	2
(f) Ad-Hoc Committee	1	2
(g) Finance and Tender Committee	3	1
	<hr/> 39	<hr/> 47

7. Marketing Activities

The marketing activities of the Board during 2001 & 2002 are described under the following headings:

SEED POTATO & OTHER SEEDS

Seed for Ware Production
Seed for Seed Production
Other Seeds

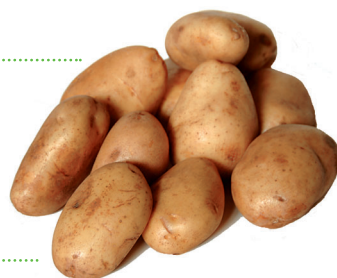


TABLE POTATO

Local Production
Imports
Prices
Sales

ONION

Local Production
Imports
Prices
Sales



GARLIC

Local Production, Imports & Sales

OTHER CONTROLLED PRODUCTS



MILK

Milk Marketing Scheme
Collection and Sales of Fresh Milk
Prices



OTHER PRODUCTS IMPORTED BY AMB



RODRIGUES

Purchase of Onion and Garlic



PRODUCER PRICE



8. Seed Potato & Other Seeds



SEED FOR WARE PRODUCTION

LOCAL SEEDS

In line with the objective to encourage seed production in Mauritius, Government continued to provide seed producers a guaranteed price. To make up for the increase in the cost of production, the price at which the Agricultural Marketing Board (AMB) purchased seeds from producers was revised from Rs 13,000 per tonne in 2000 to Rs 17,000 per tonne in 2001. In 2002, the purchase price was further reviewed to Rs 17,615 per tonne.

In 2002, 1,135 tonnes of seeds were produced as compared 1,376 tonnes in 2001. This downward trend resulted from the fact that 90 tonnes of basic seeds potatoes imported from Holland in 2000 were destroyed due to the problem of 'silver scurf' and were not available for multiplication.

Seeds for ware production were sold to planters at Rs 21,000 per tonne in 2002 as compared to Rs 18,700 per tonne in 2001.

All seeds were produced in conformity with the standards laid down by the Mauritius Sugar Industry Research Institute (MSIRI) and were certified by them prior to sale to planters.

It is worth noting that for the year 2002 the small producers contributed up to 10% of the total local seeds production, the bulk being produced by the sugar estates.

PURCHASE OF LOCAL SEED POTATOES BY AMB

PRODUCER	2002			2001				
	Spunta	Mondial	Stirling	TOTAL	Spunta	Mondial	Stirling	TOTAL
	(Tonne)							
Beau-Plan	112	–	–	112	162	–	–	162
Bel-Air	–	78	–	78	15	173	–	188
Britannia	–	–	–	–	50	–	31	81
DRBC	–	–	–	–	4	–	–	4
FUEL	35	-	–	35	147	–	33	180
Individual	–	16	–	16	6	–	–	6
MDA	23	–	–	23	46	–	–	46
Nouvelle Industrie	259	23	–	282	279	36	–	315
Rose-Belle	–	–	–	–	35	–	–	35
Savannah	347	–	–	347	190	–	–	190
Medine	67	-	–	67	49	–	–	49
Belle-Vue	77	–	–	77	92	–	–	92
MAMCF	40	–	–	40	22	–	–	22
EXCEL GROUP	–	16	–	16	–	–	–	–
MSIRI	–	–	–	–	–	–	6	6
OPA	42	–	–	42	–	–	–	–
TOTAL	1002	133	–	1135	1097	209	64	1376

DRBC - Deep River Beau Champ Sugar Estate

MDA - Mon Desert Alma Sugar Estate

FUEL - Flacq Union Estate Limited

OPA - Onion Producers Association

IMPORTED SEED POTATOES FOR WARE PRODUCTION

The AMB continued to import seeds for ware production from Australia and South Africa to meet the requirements of the planting community. 803.5 tonnes were imported in 2002 as compared to 1,081 tonnes in 2001. This downward trend was due to the fact that less seeds were planted in 2002 due to unavailability of land to potato producers during the 2nd planting season.

COST OF IMPORTED SEED FOR WARE PRODUCTION

VARIETY	ORIGIN	AVERAGE COST C&F (Rs/Tonne)		QUANTITY (Tonne)	
		2002	2001	2002	2001
DELAWARE	AUSTRALIA	16,425	14,800	730	905
MONDIAL	S.AFRICA	13,920	13,800	25	100
	AUSTRALIA	16,425	14,800	36	1
UP TO DATE	S.AFRICA	13,425	13,000	12.5	75
TOTAL				803.5	1,081

The weighted average cost of imported seeds (C & F) amounted to Rs 16,300 per tonne in 2002 and Rs 14,582 per tonne in 2001.

Seed potatoes were offered to planters at Rs 21,000 per tonne in 2002 and Rs 18,700 per tonne in 2001 based on a weighted average cost of imported and local seeds.

SALES OF POTATO SEEDS FOR WARE PRODUCTION

Sale of seeds to planters in 2002 & 2001 were as follows:

PRODUCER GROUPS	1999	2000
	(Tonne)	
SUGAR ESTATES	521	673
MAURITIUS AGRICULTURAL MARKETING COOPERATIVE FEDERATION LTD (MAMCF)	451	511
YOUNG FARMERS	127	211
AGRICULTURAL DEVELOPMENT MARKETING ASSOCIATION (ADMA)	27	21
ONION PRODUCERS ASSOCIATION (OPA)	63	69
OTHERS (Individual Planters)	527	683
TOTAL	1,716	2,168

SEED FOR SEED PRODUCTION

ALLOCATION

In 2002, 354 tonnes of basic seeds were allocated for seed production as compared to 425 tonnes in 2001. Variety Spunta continued to be the most preferred variety by producers.

VARIETY	2002			2001		
	Local	Imported	TOTAL	Local	Imported	TOTAL
Spunta	30	286	316	255	123	378
Mondial	23	5	28	27	5	32
Stirling	–	10	10	15	–	15
TOTAL	53	301	354	297	128	425

SEED FOR SEED PRODUCTION – BASIC IMPORTED SEEDS

Basic Seeds were imported from Holland, Australia and UK for multiplication.

VARIETY	ORIGIN	AVERAGE COST C&F (Rs/Tonne)		QUANTITY (Tonne)	
		2002	2001	2002	2001
SPUNTA	HOLLAND	20,545*	25,860	40	40
	AUSTRALIA	14,775	14,077	96	76
	UK	16,800	13,934	214	50
MONDIAL	HOLLAND	20,545*	25,860	5	5
STIRLING	UK	24,990	–	10	–
TOTAL				365	171

*HZPC agreed to give AMB a discount in price in 2002, to compensate partly for the loss encountered in 2001 as a result of the destruction of 40 tonnes of basic spunta.

The weighted average cost of imported basic seeds (C&F) amounted to Rs 16,953 per tonne in 2002 as compared to Rs 17,136 per tonne in 2001.

The selling price to seed producers for both local and imported seeds for multiplication was Rs 22,400 per tonne in 2002 as compared to Rs 21,000 per tonne in 2001.

In year 2001, 40 tonnes of Basic Spunta seed potatoes meant for multiplication, imported from HZPC of Holland, were condemned by the Quarantine department of the Ministry of Agriculture, Food Technology and Natural Resources of Mauritius as being unfit for plantation due to high incidence of silver scurf on the tubers and had to be destroyed locally.

OTHER SEEDS

The AMB continued to supply bean and onion seeds on the local market to meet the needs of planters.

BEAN SEEDS

IMPORTS

CULTIVAR	Quantity (Kg)	
	2002	2001
Masterpiece	–	2000
Garonel	–	1000
Long Tom	6000	12000
TOTAL	6000	15000

As a result of a shortage of bean seeds cultivar 'Long Tom' in Holland during the first six months of 2001, AMB received only 1000 kg from Pop Vriends Seeds – Holland – and had to import other varieties to supply the local market. 2000 kgs of bean seeds cultivar 'Masterpiece' were imported from Pop Vriends Seeds – Holland – in July 2001 and 1000 kgs of cultivar 'Garonel' were imported from Technisem – France. However, sales were quite low for these varieties. From July 2001 to Dec 2001 when the cultivar Long-Tom was again available in Holland, AMB imported 12,000 kgs.

In 2002, only 6,000 kgs of cultivar Long-Tom were imported as a result of the stock available from 2001 imports.

SALE OF BEAN SEEDS BY AMB

Month	2002	2001
	QTY (Kg)	
January	1075	–
February	1425	1529
March	1053	901
April	985	1428
May	500	815
June	1897	1100
July	750	486
August	689	1900
September	477	1179
October	1210	1700
November	725	1278
December	470	971
TOTAL	11256	13287

ONION SEEDS

The AMB continued to purchase onion seeds from certain international companies and through local agents of foreign companies in Mauritius upon requests of planters. These seeds were sold to planters at subsidized prices.

Only varieties, recommended by Agricultural Research Extension Unit (AREU) were offered for sale in 2002 and 2001 respectively.

SALE OF ONION SEEDS

Campaign 2002			Campaign 2001		
VARIETY	Quantity	Price	VARIETY	Quantity	Price
	(kg)	(Rs/Kg)		(kg)	(Rs/Kg)
Veronique	318.5	1,900	Red Granex	117.0	3,300
Z516	192.0	4,000	Yellow Dessex	48.0	3,300
Star 5516	1.0	4,600	Savannah Sweet	9.0	3,300
Star 5517	77.0	4,600	Red Creole	9.5	800
Noflaye	4.0	3,000	Sivam	97.5	3,300
Yellow Dessex	23.0	3,000	Noflaye	4.0	2,400
TOTAL	615.5		Star 5504	16.0	3,300
			Star 5514	2.0	3,300
			Veronique	239.0	2,200
			TOTAL	542.0	

9. Table Potato

LOCAL PRODUCTION

Local production of table potatoes experienced a fall from 16,350 tonnes in 2001 to 13,392 tonnes in 2002 due to a reduction in the acreage planted. In fact, only 608 hectares of land were under potato cultivation in 2002 as compared to 779 hectares in 2001. This was mainly due to late and non-availability of land to the planting community.

AREA HARVESTED AND LOCAL PRODUCTION

Month	AREA HARVESTED (HECTARE)		PRODUCTION (TONNE)	
	2002	2001	2002	2001
January	0.6	24.2	9	389
February	–	–	–	–
March	–	–	–	–
April	0.8	–	6	–
May	1.3	0.2	20	2
June	57.1	28.0	1,378	480
July	117.3	123.6	2,732	3555
August	109.0	120.3	2,539	3390
September	48.9	111.4	1,029	2545
October	47.0	143.4	1,142	2245
November	64.9	136.7	1,581	2190
December	161.2	91.1	2,956	1555
TOTAL	608.2	778.8	13,392	16350

Source : AREU

PURCHASE OF LOCAL WARE POTATOES BY THE BOARD

The Agricultural Marketing Board continued to purchase at floor price any surplus production of local ware potatoes for storage to better regulate the supply and the retail price on the local market. In 2002, only 528 tonnes of table potatoes were sold to the AMB as compared to 2,927 tonnes in 2001, as a result of a better selling price available to planters.

PURCHASE OF LOCAL WARE POTATO BY AMB - 2002

MONTH	SUGAR ESTATES	A.M.C.S	O.P.A	INDIVIDUAL	TOTAL
	(Tonne)				
January – June	–	–	–	–	–
July	–	2	–	–	2
August	30	37	10	110	187
September	2	18	5	29	54
October	–	–	–	–	–
November	97	78	–	9	184
December	24	26	–	51	101
TOTAL	153	161	15	199	528

PURCHASE OF LOCAL WARE POTATO BY AMB - 2001

MONTH	SUGAR ESTATES	A.M.C.S	O.P.A	INDIVIDUAL	TOTAL
	(Tonne)				
January - June	–	–	–	–	–
July	–	–	–	2	2
August	20	22	–	55	97
September	60	28	43	82	213
October	386	19	5	15	425
November	630	354	–	543	1527
December	35	290	–	338	663
TOTAL	1131	713	48	1035	2927

A.M.C.S - Agricultural Marketing Cooperative Society

O.P.A. - Onion Producers Association

IMPORTS

The AMB continued to import 50% of the initial quota allocated and act as importer of last resort following liberalization of both the importation and the price of table potato in 1998.

In 2002, 2,171 tonnes table potatoes were imported by the private importers out of a quota of 2,387.5 tonnes. They imported 1,946 tonnes of table potatoes out of a quota of 3,000 tonnes in 2001.

IMPORTS AND COSTS OF IMPORTS

COUNTRY OF ORIGIN	2002		2001	
	Quantity (Tonne)	Weighted Average C&F/(Tonne)	Quantity (Tonne)	Weighted Average C&F/(Tonne)
South Africa	4325	10070	4639	8445
Australia	2340	9720	496	7360
India	25	8550	1200	7810
TOTAL IMPORTATION BY AMB	6690		6835	
IMPORTATION BY PRIVATE IMPORTERS	2171		1946	
TOTAL IMPORTATION	8861		8781	

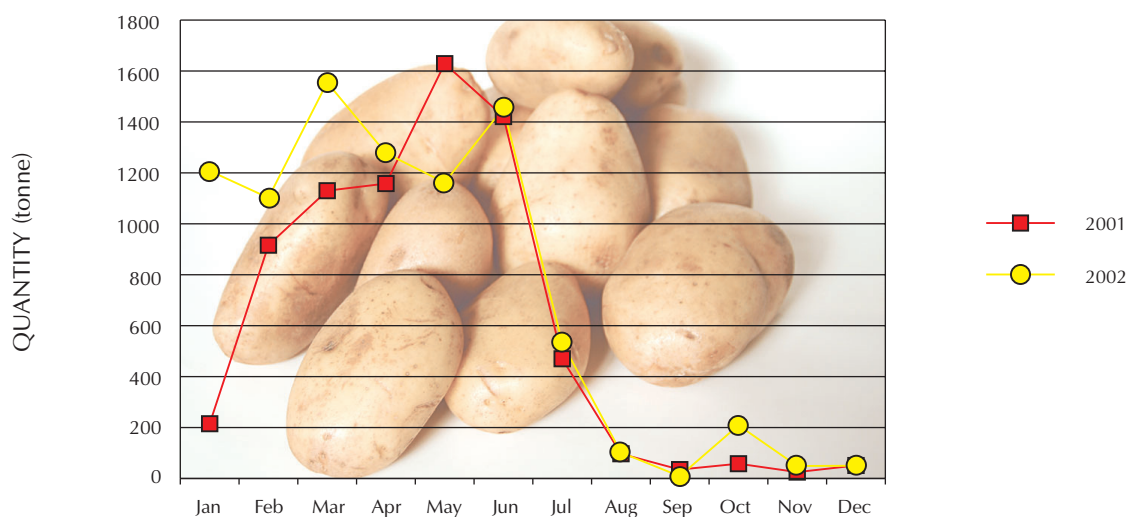
The weighted average cost of imports (C&F) for AMB was Rs 9,940 per tonne in 2002 as compared to Rs 8,175 per tonne in 2001.

PRICES

The floor price at which the AMB purchased table potatoes from planters was revised from Rs 8,300 per tonne in year 2000 to Rs 9,600 per tonne in 2001 and to Rs 10,730 per tonne in 2002.

To better regulate both supply and selling price in the local market, the AMB enlisted the services of selected appointed dealers in the market and fairs who sold potatoes at AMB's recommended prices of Rs 14/kg. That had to a large extent been successful in maintaining the retail price at Rs 14/kg in both 2001 and 2002.

SALE OF TABLE POTATOES BY AMB



Sale of table potatoes at AMB experienced a downward trend in both 2002 – 2001 as from the month of June up to December as a result of local harvest.

10. Onion

LOCAL PRODUCTION

In 2002, Local Production of onion was 7,116 tonnes as compared to 10,951 in 2001, because of a reduced harvested acreage.

LOCAL PRODUCTION AND IMPORTS OF ONIONS

Month	2002			2001		
	LOCAL PRODUCTION		IMPORTS	LOCAL PRODUCTION		IMPORTS
	Area Harvested (Hectare)	Quantity (Tonne)	Quantity (Tonne)	Area Harvested (Hectare)	Quantity (Tonne)	Quantity (Tonne)
January	–	–	625	0.4	6	400
February	–	–	1302	0.4	3	1758
March	–	–	1250	0.1	1	1269
April	0.5	3	1000	0.6	5	1200
May	2.1	15	1000	4.2	43	900
June	6.2	61	1300	4.5	50	400
July	11.9	196	1700	6.6	89	1000
August	4.6	95	500	7.7	112	1200
September	16	367	600	45.1	946	140
October	126.5	4058	200	143.1	4969	209
November	52.1	1727	–	78.2	3195	–
December	17.7	595	800	41.6	1533	–
TOTAL	237.6	7116	10277	332.6	10951	8476

PURCHASE OF LOCAL ONIONS BY AMB

2002		2001	
HIGH YIELDING	LOCAL RED (TOUPIE)	HIGH YIELDING	LOCAL RED (TOUPIE)
(Tonne)			
152	8	244	0

In 2002, 152 tonnes of High Yielding variety were sold to AMB as compared to 244 tonnes in 2001. The AMB also purchased 8 tonnes of Local Red (Toupie) from Belle Mare Water Users' Cooperative in 2002.

IMPORTS

The AMB imported 10,277 tonnes in 2002 as compared to 8,476 tonnes onions in 2001. The increase in imports resulted from the fall in local production from 7,116 tonnes in 2002 as compared to 10,951 tonnes in 2001. It is worth noting that more than 85% of total import originated from India as a result of competitive prices and better keeping quality of the Indian onions as compared to the South African Yellow Onions.

It should be recalled that in Year 2000 the AMB made a trial order of 104 tonnes onions in reefer container from Egypt in line with its objective to diversity its sources of supply.

This trial was not repeated despite the fact that the onions arrived in good condition and price was competitive because of absence of appropriate refrigerated storage condition at AMB as the stores were under renovation. It should be noted that the relative humidity in the cold rooms of AMB could not monitored at the stores.

IMPORTS AND COST OF IMPORTS

COUNTRY OF ORIGIN	2002		2001	
	QUANTITY IMPORTED (Tonne)	COST OF IMPORT Average Cost C & F Rs/Tonne	QUANTITY IMPORTED (Tonne)	COST OF IMPORT Average Cost C & F RS/TONNE
India	10000	7,000	7225	7,640
S.Africa	277	9,250	1251	8,280
TOTAL	10277		8476	

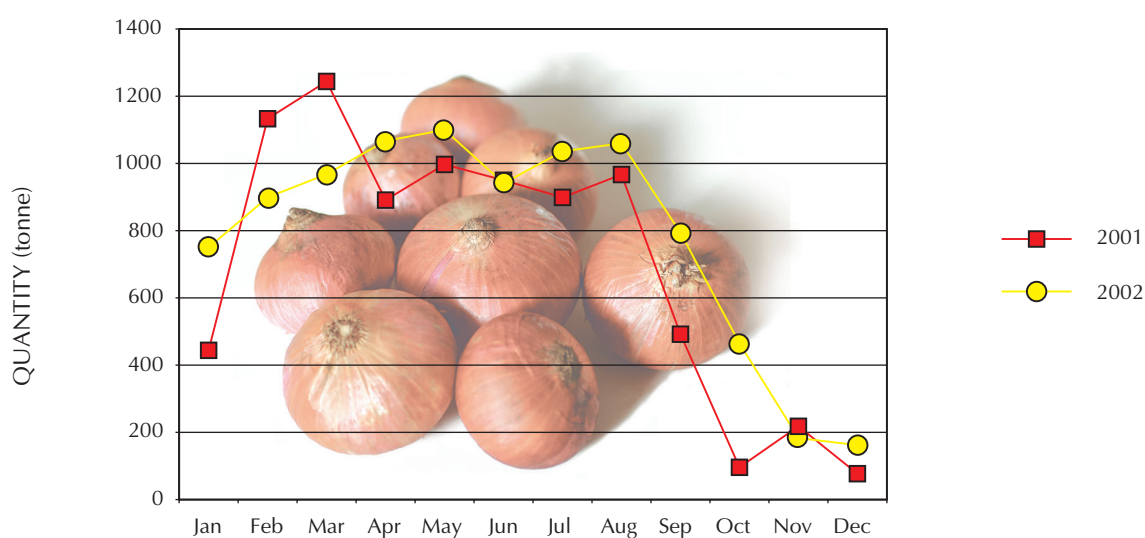
The weighted average cost of imported onions was Rs 7,060 per tonne in 2002 as compared to Rs 7,734 per tonnes in 2001.

PRICES

The guaranteed producer price for both high yielding and local red varieties remained unchanged at 9,000 per tonne and 12,000 per tonne in both 2002 and 2001 respectively.

The wholesale and retail price was maintained at Rs 12,700 per tonne and Rs 14,000 per tonne in both 2002 and 2001 respectively.

SALE OF ONIONS BY AMB



Sale of onions at AMB experienced a downward trend in both 2002 – 2001 as from the month of August up to December as a result of local harvest.

11. Garlic

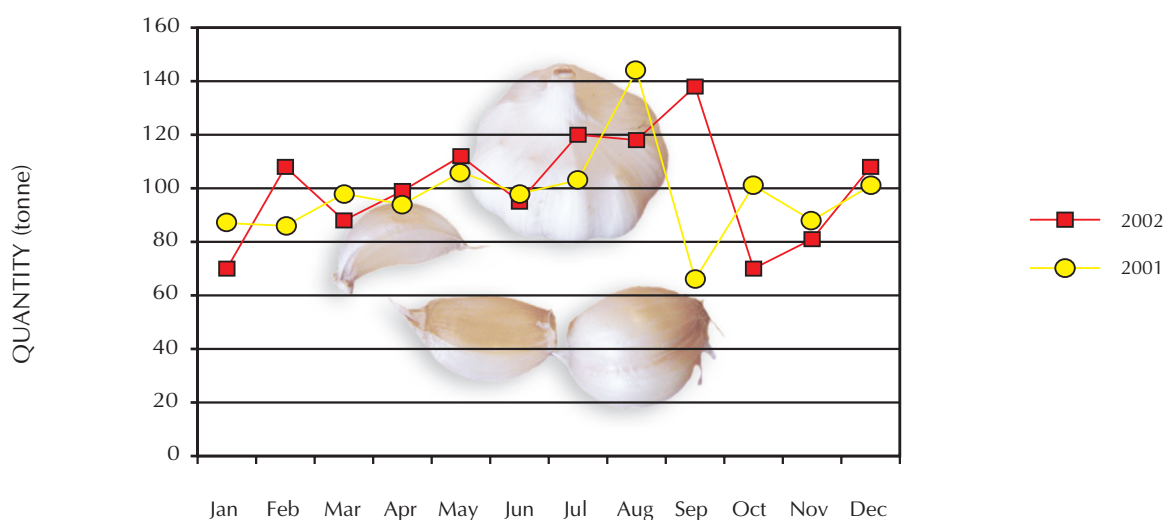
Local production of garlic continued to decline, from a production of 40 tonnes in 2001, it reached only 25 tonnes in 2002.

The AMB continued to ensure regular supply on the local market through importation. Imports in 2002 were 1,300 tonnes as compared to 1,195 tonnes in 2001.

PRODUCTION & IMPORTS OF GARLIC

Month	2002			2001		
	LOCAL PRODUCTION		IMPORTS	LOCAL PRODUCTION		IMPORTS
	Area Harvested (Hectare)	Quantity (Tonne)	Quantity (Tonne)	Area Harvested (Hectare)	Quantity (Tonne)	Quantity (Tonne)
January	–	–	–	–	–	137
February	–	–	113	–	–	–
March	–	–	224	–	–	54
April	–	–	56	–	–	122
May	–	–	110	–	–	140
June	–	–	156	–	–	88
July	–	–	67	0.1	1	108
August	0.2	2	142	–	–	138
September	1.8	11	104	2.2	23	104
October	1.4	9	104	2.6	12	134
November	0.4	2	112	0.9	4	116
December	0.4	2	112	–	–	54
TOTAL	4.1	25	1300	5.8	40	1195

SALES OF GARLIC BY AMB



On average the AMB sold 90 tonnes on a monthly basis

12. Milk

MILK MARKETING SCHEME

The Milk Marketing Scheme consists of collecting, pasteurising, packing and distributing fresh milk bought from small cowkeepers throughout the island.

VOLUME OF MILK COLLECTED AND SOLD BY AMB (LITRES)

MONTH	Collection		Sales	
	2001	2002	2001	2002
January	99,458	86,928	100,474	87,443
February	88,172	73,150	88,898	73,141
March	71,999	61,454	72,802	61,519
April	71,035	68,718	70,423	69,112
May	73,161	63,926	75,287	64,534
June	79,920	75,180	80,753	75,965
July	90,079	87,328	88,300	87,187
August	103,482	101,289	106,337	101,001
September	104,716	101,488	106,715	102,258
October	105,537	97,365	105,945	98,815
November	102,133	97,178	103,446	98,047
December	97,551	92,322	99,179	91,891
TOTAL	1,087,243	1,006,326	1,098,559	1,010,913

PRICES

The cowkeepers are guaranteed a remunerative price for milk collected at farmgate.

Fresh milk was purchased from cowkeepers at a farmgate price of Rs 9.00 per litre and the retail price was Rs 12.00 per litre. The same prices were maintained in both years.

The AMB suffered a loss of *Rs 4.97.M* in 2002 and *Rs 4.73 M* in 2001 respectively.

13. Other Controlled Products

CARDAMOMS

ORIGIN	IMPORTS	
	2002	2001
INDIA	3,200	4,200
GUATEMALA	5,520	–
TOTAL IMPORT	8,720	4,200
LOCAL	–	317.5
TOTAL	8,720	4517.5

TURMERIC

PRODUCT	ORIGIN	2002	2001
Turmeric Powder	India	162	179.50
Turmeric Finger		85	102

14. Other Products Imported by AMB

PEELED CANNED TOMATOES

In 2002, AMB also imported 266,400 tins of peeled canned tomatoes from Italy and 26 tonnes of carrots from South Africa in order to supplement local market in time of shortage, especially after natural calamities like cyclone and drought and to diversify its range of products.



15. Rodrigues

The AMB continued to purchase the total production of onion from Rodrigues at guaranteed producer price in line with its objective to support its agricultural sector.

In 2002, 258 tonnes of onions were purchased as compared to 226 tonnes in 2001.

ONIONS	2002		2001	
	Quantity Purchased (Tonne)	Price Rs/Tonne	Quantity Purchased (Tonne)	Price Rs/Tonne
Grade 1	78	11,800	59	11,800
Grade 2	38	7,500	41	7,500
G 22	142	9,600	126	9,600
TOTAL	258		226	

16. Producer/Floor Price 2001 & 2002

(Goods delivered at Board unless otherwise indicated)

		2002	2001
		(Rs/Tonne)	
POTATOES	Ware	10,730	9,600
	Seed	17,615	17,000
	Local Red (Toupie)	12,000	12,000
	High Yielding	9,000	9,000
ONIONS	Rodrigues – Grade 1	11,800	11,800
	Grade 2	7,500	7,500
	G22	9,600	9,600
GARLIC	Grade 1	30,000	30,000
TURMERIC		Negotiable	Negotiable
CARDAMOMS		Negotiable	Negotiable
		(Rs/Litre)	
MILK		9	9

17. Financial Report year ended 31 December 2001

The Agricultural Marketing Board generated a Net Surplus of **Rs 50.9 M** in the year 2001 as compared to **Rs 39.0 M** of last year, representing an increase of 30%.

The increase in the net surplus resulted from an increase in the Gross Profit from the trading of potatoes (202%) and Garlic (18%). The increase in the Gross Profit is attributable to the fact that with the liberalisation of importation of potatoes, a higher volume has been traded at a higher price. Additionally, Garlic has been imported at a lower cost, thereby generating a higher profit.

The table below shows the Gross Profit arising from the trading of controlled products.

	YEARS		Increase /	
PRODUCE	2001	2000	(Decrease)	%
	Rs (M)			
GARLIC	43.4	36.7	6.7	18
ONIONS	17.7	20.8	(3.1)	(15)
POTATOES	14.8	4.9	9.9	202
TURMERIC	6.0	5.3	0.7	13
MILK	(0.5)	(1.1)	0.6	(54)
ANIMAL FEED & OTHER PRODUCTS	–	2.2	(2.2)	(100)
GROSS PROFIT	81.4	68.8	12.6	18

The table below shows a summary of the Income and Expenditure for the years 2000 & 2001.

	YEARS		Increase /	%
	2001	2000	(Decrease)	
	Rs (M)			
Turnover	330.6	309.7	20.9	7
Gross Profit	81.4	68.8	12.6	18
Rent & Other Income	23.8	18.6	5.2	28
TOTAL INCOME	105.2	87.4	17.8	20
Storage Cost	(34.5)	(30.2)	4.3	14
Administrative Expenses	(9.9)	(9.2)	0.7	8
Depreciation	(7.9)	(7.2)	0.7	10
Financial Charges	(1.4)	(1.2)	0.2	17
TOTAL OPERATING COST	(53.7)	(47.8)	5.9	12
Prior period Adjustment	(0.1)	–	0.1	100
Loss on foreign exchange	(0.5)	(0.6)	(0.1)	(17)
NET SURPLUS	50.9	39.0	11.9	30

Rent & other Income has increased by 28%. This is attributable to the interest received (**Rs 4.5 M**) from funds invested in Fixed Deposit Accounts.

The increase in the storage cost (14%) has resulted mainly from an increase in the salaries & wages (**Rs 1.5 M**); water and electricity (**Rs 1.1 M**) and storage rent paid (**Rs 1.1 M**).



Financial
Statements
for the year
ended
31st December
2001



Financial Statements

for the Year ended 31 December 2001

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Balance Sheet

as at 31 December 2001

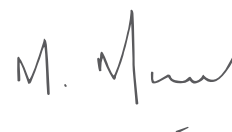
	Notes	2001 Rs	2000 Rs
FIXED ASSETS	3	87,957,789	88,484,092
INVESTMENTS	4	9,034,890	8,407,148
CURRENT ASSETS			
Stock	6	66,073,707	39,989,592
Trade and other receivables	7	15,327,610	15,681,385
Investments - Money On-call and Deposits		115,000,000	80,162,924
Cash and Bank balances	8	406,126	233,107
Medical Assistance Fund Savings Account	4	1,193,451	909,904
		<u>198,000,894</u>	<u>136,976,912</u>
CURRENT LIABILITIES			
Trade and other payables	9	30,713,623	27,042,288
Bank Overdrafts		<u>23,075,187</u>	<u>12,057,353</u>
		<u>53,788,810</u>	<u>39,099,641</u>
NET CURRENT ASSETS		<u>144,212,084</u>	<u>97,877,271</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		241,204,763	194,768,511
LONG TERM LIABILITIES	10	<u>48,540,723</u>	<u>49,159,231</u>
NET ASSETS		<u>192,664,040</u>	<u>145,609,280</u>
FINANCED BY CAPITAL & RESERVES			
Capital Grant	11	48,088,000	52,287,133
Medical Assistance Fund		1,193,451	909,904
Trading Equalisation Reserve	12	125,993,595	75,023,249
Other Reserves	13	<u>17,388,994</u>	<u>17,388,994</u>
		<u>192,664,040</u>	<u>145,609,280</u>

Approved by the Board on 23 April 2003

Chairman



General Manager



The Notes on pages 29 to 36 form part of these Accounts.

Income and Expenditure Statement

for the year ended 31 December 2001

	Notes	2001 Rs	2000 Rs
Income	14	81,416,162	68,786,329
Operating Expenditure	15	(53,596,879)	(47,786,618)
Operating Surplus		27,819,283	20,999,711
Loss on Exchange		(571,087)	(614,274)
Other Income	16	23,854,142	18,645,082
Net Surplus for the year before Prior Year Adjustment		51,102,338	39,030,519
Prior Year Adjustment	17	131,992	—
Net Surplus for the year after Prior Year Adjustment		50,970,346	39,030,519
Trading Equalisation Reserve brought forward		75,023,249	35,992,730
Trading Equalisation Reserve carried forward		125,993,595	75,023,249



Cash Flow Statement

for the year ended 31 December 2001

	2001		2000	
	Rs	Rs	Rs	Rs
CASH FLOWS FROM OPERATING ACTIVITIES				
Net Surplus	50,970,346		39,030,519	
Adjustments for :				
Depreciation	7,896,041		7,200,857	
Grant amortised	(3,678,600)		(3,931,507)	
Foreign Exchange Loss	571,087		614,274	
Interest Income	(10,890,893)		(6,537,091)	
Interest Expense	1,271,639		1,185,611	
Profit on Sales of Fixed Assets	(25,783)		(225,924)	
Operating Surplus				
Before Working Capital Changes	46,113,837		37,336,740	
Decrease in Trade & Other Receivables	2,572,908		2,141,526	
(Increase)/Decrease in Stock	(26,084,115)		5,433,296	
Increase in Trade & Other Payables	5,164,485		3,326,950	
Cash generated from Operations	27,767,115		48,238,512	
Interest paid	(1,258,319)		(1,183,978)	
NET CASH FROM OPERATING ACTIVITIES		26,508,796		47,054,534
Cash Flow from Investing Activities				
Purchase of Fixed Assets	(7,517,145)		(12,270,637)	
Repayment of Loan to Govt of Mauritius	(1,910,000)		-	
Sinking Fund Investment	(207,385)		(207,385)	
Proceeds from sale of fixed assets	31,591		258,450	
Interest Received	8,251,403		7,623,262	
Net Cash used in Investing Activities		(1,351,536)		(4,596,310)
Cash Flow from Financing Activities:				
Payment of Government Loan		(1,164,998)		(1,064,647)
Net Increase in Cash & Cash Equivalent		23,992,262		41,393,577
Cash & Cash Equivalent at Beginning of Period		68,338,678		26,945,101
Cash & Cash Equivalent At End of Period		92,330,940		68,338,678

Value Added Statement

	2001		2000	
	Rs (000)	%	Rs (000)	%
VALUE CREATED				
Income	354,480		328,357	
Less Bought in Materials & Services	292,582		274,194	
VALUE ADDED	61,898	100	54,164	100
Value Distributed				
To Remunerate Employees for their services	27,192	44	24,937	46
To Providers of Finance	1,272	2	1,186	2
	28,464	46	26,123	48
Value Retained				
To maintain and Develop Operations	33,434	54	28,041	52
	61,898	100	54,164	100



Notes to and forming part of the Financial Statements for the year ended 31 December 2001

1. Principal Activities

The Agricultural Marketing Board (AMB), a body corporate, was established in 1963 to serve the purpose described in The Mauritius Agricultural Marketing Act 1963.

The AMB deals with purchases and sales, imports and exports, marketing and storage of controlled and other products. It also rents storage space whenever available.

2. Accounting Policies

(a) Basis of Preparation

The Financial statements have been prepared under the historical cost convention.

(b) Fixed Assets and Depreciation

Fixed assets are stated at cost before deduction of grants received. The cost of fixed assets is depreciated in equal instalments over the estimated useful life of the assets.

The annual rates of depreciation are as follows:

	2001 %
Warehouse and office building	2.0
Plant and Machinery	10.0
Stores Equipment and Palletisation	12.5
Motor Vehicles	10.0
Motor Car	12.5
Office Equipment	12.5
Fixtures and Fittings	10.0
Computer Equipment	20.0
Tractors and Trailers	10.0
Waterproofing	10.0



Notes to and forming part of the Financial Statements for the year ended 31 December 2001

Note 3: FIXED ASSETS AS AT 31 DECEMBER 2001

	Building	Plant & Machinery	Stores Equipment & Palletisation	Motor Vehicles	Motor Car	Tractors & Trailers	Office Equipment	Furniture & Fittings	Computer Equipment	Waterproofing	TOTAL
	Rs										
COST											
As at 1 January 2001	57,418,421	59,108,502	20,443,091	3,274,062	1,252,724	233,062	2,105,245	202,944	1,806,372	2,777,970	148,622,393
Additions	–	–	5,375,248	–	1,645,675	–	223,800	55,738	216,684	–	7,517,145
Disposal	–	–	(606,244)	–	–	–	(4,500)	–	–	–	(610,744)
As at 31 December 2001	57,418,421	59,108,502	25,212,095	3,274,062	2,898,399	233,062	2,324,545	258,682	2,023,056	2,777,970	155,528,794
PROVISION FOR DEPN.											
As at 1 January 2001	13,318,864	28,445,497	12,299,333	2,172,920	991,962	233,061	1,466,206	34,096	898,564	277,797	60,138,300
Disposal	–	–	(462,211)	–	–	–	(1,125)	–	–	–	(463,336)
Charge for the period	1,148,368	3,407,000	2,035,352	160,049	292,630	–	179,162	25,868	369,814	277,797	7,896,041
As at 31 December 2001	14,467,232	31,852,497	13,872,474	2,332,969	1,284,592	233,061	1,644,243	59,964	1,268,378	555,594	67,571,005
NET BOOK VALUE											
As at 31 December 2001	42,951,189	27,256,005	11,339,621	941,093	1,613,807	1	680,302	198,718	754,678	2,222,376	87,957,790
As at 31 December 2000	44,099,556	30,663,005	8,143,760	1,101,142	260,762	1	639,039	168,848	907,809	2,500,174	88,484,092

Notes to and forming part of the Financial Statements for the year ended 31 December 2001

4. Specific Funds Investment

(a) Sinking Fund

This fund is in respect of a loan of Rs. 20,738,538 due to the Government of Mauritius which is repayable by way of a contribution of one percent thereof, together with interest accruing thereon, over forty years to a sinking fund kept by the Accountant General.

(b) Medical Assistance Fund

This fund is made up of contributions by the Board and its employees and of interest accruing on the Savings Account. This Fund amounted to Rs 1,193,451/- as at 31 December 2001 and Rs 909,904/- as at 31 December 2000.

(c) Potato Seed Fund

The seed fund represents the difference between importation cost and the selling price to producers of mother seed potatoes. This amount has been written off over the reproduction cycle of mother seed potatoes which is normally three years.

5. Pension Fund

SICOM Ltd is managing a pension fund made of contributions by the Board and of net income earned. The fund amounted to Rs 30,964,377 as at 31 December 2001 and Rs 27,373,327 as at 31 December 2000. The actuarial report of 1999 showed that the actuarial value of liabilities exceeds the value of the assets by Rs 13.5 million on increasing pension basis (5% per annum). Consequently the pension contribution was increased from 18% to 24 % of the monthly salary as from 1 July 2001.

6. Stock

	2001 Rs	2000 Rs
Agricultural products	60,857,225	34,722,289
Spare parts, stationery, plastic sheets & leno bags	5,216,482	5,267,303
	66,073,707	39,989,592

Stocks are valued at lower of cost and net realisable value.

7. Trade & Other Receivables

	2001 Rs	2000 Rs
Trade receivables	5,621,687	10,348,478
Loan to Employees	1,904,950	2,630,652
Potato Seed Fund	-	459,317
Interest Receivable	4,323,174	2,104,041
Prepayments	3,477,799	138,896
	15,327,610	15,681,384

Notes to and forming part of the Financial Statements for the year ended 31 December 2001

8. Cash & Bank Balances

	2001 Rs	2000 Rs
Cash in hand	98,964	177,357
Cash at Bank	307,162	55,750
	406,126	233,107

9. Trade & Other Payables

	2001 Rs	2000 Rs
Amount falling due within one year:		
Trade payables	15,589,450	6,897,378
Other payables	411,654	1,695,777
Deposit on Seeds	5,759,386	6,055,659
Loan payable within 1 year	1,208,790	1,184,195
Accruals	6,450,832	9,151,967
	29,420,112	24,984,976
Amount falling due after more than one year:		
Provision for passage benefit	1,293,511	2,057,312
	30,713,623	27,042,288

10. Loans

	2001 EURO	Rs	2000 EURO	Rs
In respect of :				
Building - Note (a)	–	20,738,538	–	20,738,538
Onion & Seed stores – Note (b)	1,075,197	29,010,975	1,119,997	29,604,889
	1,075,197	49,749,513	1,119,997	50,343,427
Loan payable within 1 year	44,800	1,208,790	44,800	1,184,195
Loan payable within 2 – 5 years	179,200	4,835,161	179,200	4,736,781
Loan payable within 6 –10 years	223,999	6,043,952	223,999	5,920,976
Loan payable more than 10 years	627,198	37,661,609	671,998	38,501,474
Long Terms Loans	1,030,397	48,540,723	1,075,197	49,159,231
Rate EURO/Rs	26.982		26.433	

Note (a) – 4% Building Loans repayable by way of 1% annual contribution over 40 years to a sinking fund payable on 31 December each year.

Note (b) – 1% Onion and Seed Stores Loans repayable by 60 half yearly instalments as from 15 May 1996.

Notes to and forming part of the Financial Statements

for the year ended 31 December 2001

11. Capital Grant

Capital Grant, received by way of equipment and cash, are capitalised under fixed assets and the value of the equipment are treated as deferred revenue, a portion equivalent to the estimated annual use being released to the Income and Expenditure Account every year.

12. Trading Equalisation Reserve

	2001 Rs	2000 Rs
Trading Equalisation Reserve brought forward	75,023,249	35,992,730
Net Surplus for the period	50,970,346	39,030,519
Trading Equalisation Reserve carried forward	125,993,595	75,023,249

13. Other Reserves

This item arises as a result of the cessation of activities of the Rose Belle Maize Drying Centre with the writing off by Government of the related loan balance due (EURO 747,441) and also the assets of the Maize Plant by Agricultural Marketing Board.

	Rs	Rs
Loan Balance		18,671,798
Building - Maize Drying Centre	1,280,393	
Plant and Machinery - Maize Drying Centre	2,411	(1,282,804)
NET BALANCE		17,388,994

The net loan balance was transferred to a Capital Development Reserve.

14. Income

	2001 Rs	2001 Rs	2000 Rs	2000 Rs
Sales		330,626,324		309,713,357
Less : Cost of Sales				
Opening Stock	34,722,289		40,830,295	
Purchases	275,345,098		234,819,022	
Closing Stock	(60,857,225)		(34,722,289)	
		249,210,162		240,927,028
		81,416,162		68,786,329

Notes to and forming part of the Financial Statements for the year ended 31 December 2001

15. Operating Expenditure

		2001 Rs	2000 Rs
Storage Costs	(Appendix 1)	33,339,783	30,150,551
Administrative expenses	(Appendix 2)	9,989,416	9,249,599
Depreciation	(Note 3)	7,896,041	7,200,857
Financial Charges	(Appendix 3)	1,271,639	1,185,611
Storage Rent Payable		1,100,000	—
		53,596,879	47,786,618

16. Other Income

		2001 Rs	2000 Rs
Cess Received		422,109	267,825
Storage Rent Receivable		8,133,536	7,207,245
Sundry Income		4,407,604	4,632,921
Interest Receivable	(Appendix 5)	10,890,893	6,537,091
		23,854,142	18,645,082

17. Prior Period Adjustment

		2001 Rs	2000 Rs
The prior Period Adjustment consists of:			
1. Marine Insurance		131,993	—

Appendices

for the year ended 31 December 2001

Storage Costs

Appendix 1

ITEMS	2001 Rs	2000 Rs
Salaries & Wages, Overtime & Allowances	19,970,768	18,409,574
Water & Electricity	8,283,120	7,232,191
Repairs & Maintenance & Insurance	4,264,416	3,655,773
General Expenses - Store	392,370	335,599
Provision for Leave Passages	429,109	517,414
	33,339,783	30,150,551

Administrative Expenses

Appendix 2

ITEMS	2001 Rs	2000 Rs
Salaries & Allowances	6,636,296	5,848,131
Overseas Travelling	123,235	171,390
Motor Vehicle Running Expenses	778,372	744,021
Printing & Stationery, Advertising, Postage & Telephone	1,193,431	978,850
Legal & Professional	125,000	186,450
Audit Fee	60,000	60,000
General Expenses	605,606	909,092
Board Members Fees	289,950	178,284
Rent of Leasehold Land	21,057	11,080
Provision for Leave Passages	156,469	162,301
	9,989,416	9,249,599

Appendices

for the year ended 31 December 2001

Appendix 3

Financial Charges

	2001 Rs	2000 Rs
Interest on Long-term loan from Government of Mauritius and EDF	1,116,989	1,105,858
Interest on Bank overdraft	154,650	79,753
	1,271,639	1,185,611

Appendix 4

Foreign Currencies

Transaction in foreign currencies are recorded using the rate of exchange ruling at the date of the transaction. Monetary assets and liabilities are translated using the rate of exchange ruling at the balance sheet date and gains or losses on transaction are transferred to the Income and Expenditure Account. A loss on exchange amounting to Rs 571,087 was charged (compared to a loss of Rs 614,274 in 2000) to the Income and Expenditure Account.

Appendix 5

Interest Receivable

	2001 Rs	2000 Rs
Interest received on credit sales of maize	250,235	393,587
Interest on Sinking Fund Investment	420,357	391,042
Interest on Deposit Account	9,978,855	5,412,944
Other Interest	241,446	339,518
	10,890,893	6,537,091

Five Year Summary

	2001 (Rs 000)	2000 (Rs 000)	1999 (Rs 000)	1998 (Rs 000)	1997 (Rs 000)
A. INCOME AND EXPENDITURE					
Income	81,416	68,786	55,821	17,480	14,344
Other Income	23,854	18,645	14,044	16,662	9,341
	105,270	87,431	69,865	34,142	23,685
Grant	3,841	3,932	622	102	505
Subsidy	–	–	10,786	32,022	24,296
Operating surplus/(deficit)	27,819	21,000	25,529	2,423	(757)
Net Surplus	50,970	39,031	41,496	13,786	9,088
B. BALANCE SHEET					
Fixed Assets	87,958	88,484	27,662	27,301	27,020
Investment	9,035	8,407	7,809	7,239	6,696
Net Current Assets	144,212	97,877	68,770	41,846	26,733
Long-term Loans	48,541	49,159	49,638	54,657	52,415
Trading Equalisation Reserves	125,994	75,023	35,993	3,583	(10,203)
Capital Grant	48,088	52,287	449	102	308
C. CASH FLOW STATEMENT					
Cash generated from operations	27,767	48,239	55,133	26,161	18,315
Capital Expenditure	7,725	12,478	2,513	2,820	1,641
Loan repaid	3,075	1,065	1,200	1,854	862
	%	%	%	%	%
D. FINANCIAL INDICATORS					
Operating Surplus Margin	8.4	6.8	6.0	0.5	(2.8)
Return on Net Assets	26.5	26.8	76.0	63.4	10.3
Return on Fixed Assets	57.9	44.1	150.0	50.5	33.6
E. PRODUCTIVITY AND EMPLOYEE DATA					
Average number of employees	185	178	171	192	208
Value Added per employee	335	304	259	113	212
Ratio of value added to employment cost	2	2	2	1	2
Ratio of employment cost to total income	0.3	0.4	0.4	1	2

Report of the Director of Audit to the Chairperson of the Agricultural Marketing Board

I have audited the accompanying balance sheet of the Agricultural Marketing Board as of 31 December 2001, and the related statements of income, and cash flows for the year then ended. These financial statements are the responsibility of the Board. My responsibility is to express an opinion on these financial statements based on my audit.

Except as discussed in the next paragraph, I conducted my audit in accordance with International Standards on Auditing. Those Standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. I believe that my audit provides a reasonable basis for my opinion.

Fixed Assets – Rs 87,957,789

The additions and disposals of fixed assets during the last two years were as follows:

	2001	2000
Additions	7,517,145	68,040,636
Disposal	610,744	628,154

However, the Fixed Assets Register was not updated since 1999. Hence, I have been unable to check for the existence of the assets.

Expenditure net-off

Expenditure totalling Rs 279,288 incurred during the year, have been set-off against the sales figure. Hence, both the sales and expenditure figures in the Profit & Loss Account have been understated.

Cut-off errors

Several payments effected to suppliers near year-end were approved in the year 2002 but accounted for as paid on 31 December 2001. The accruals figure has been understated by Rs 252,682.

Cash and Bank Balance Rs 406,126

The petty cash balance of AMB Moka was Rs 59,713 as per financial statement. However, the petty cash schedule showed a nil balance.

Returned Cheques – Rs 1,048,302

There is difference of Rs 138,018 between the figure in the financial statement and the schedule submitted to audit.

AUDIT OPINION

In my opinion, except for any adjustments that might have been found to be necessary in respect of the above matters, the financial statements give a true and fair view of the state of affairs of the Agricultural Marketing Board as of 31 December 2001, and of its income and expenditure for the year then ended and comply with the Statutory Bodies (Accounts and Audit) Act.

EMPHASIS OF MATTER

Without qualifying my opinion I draw attention to the following matters:

Milk Marketing

The Dairy Chemistry Division of the Ministry of Agriculture has carried out tests on the quality of milk sold by Board, which indicate that most of the times the milk was below legal norms and the following were observed:

- Adulteration
- Low fat content
- Low protein
- Bacterial problem

The hygienic conditions at the processing plant was in a deplorable state despite that the owner of the plant has stated in several occasions that he will engage to take remedial action.

The Board had been served legal notice for non-compliance with the Food Act Regulations. No action has yet been taken to remedy the situation.

Security Services – Rs 927,917

No formal contract was signed between AMB and the contractors. This is not satisfactory. In the absence of such contract it may be difficult for the Board to enforce satisfactory performance. It is to be noted that the quality of the service provided on three sites was not satisfactory.

R. JUGURNATH

Director of Audit

Government Audit Office

Level 14

Air Mauritius Centre

PORT LOUIS

02 JULY 2003

Financial Report year ended 31 December 2002

The Agricultural Marketing Board has realised a Net Surplus of **Rs 43.8 M** in the year 2002 compared to **Rs 50.9 M** in year 2001, representing a decrease of 14%.

The decrease in the net surplus is mainly due to the significant decrease in the gross profit from the trading of potatoes (69%). This is attributable to the increase in the price of imported potatoes during the financial year.

The table below shows the Gross Profit arising from the trading of controlled products.

PRODUCE	YEARS		Increase/ (Decrease)	%
	2002	2001		
	Rs (M)			
GARLIC	46.8	43.4	3.4	8
ONIONS	20.6	17.7	2.9	16
POTATOES	4.6	14.8	(10.2)	(69)
TURMERIC	5.7	6.0	(0.3)	(5)
MILK	(0.7)	(0.5)	(0.2)	40
ANIMAL FEED & OTHER PRODUCTS	1.0	–	1	100.0
GROSS PROFIT	78.0	81.4	(3.4)	4

The table below shows a summary of the Income and Expenditure Account for the years 2001 & 2002.

	YEARS		Increase / (Decrease)	%
	2002	2001		
	Rs (M)			
Turnover	352.2	330.6	21.6	7
Gross Profit	78.0	81.4	(3.4)	(4)
Rent & Other Income	26.8	23.8	3.0	13
TOTAL INCOME	104.8	105.2	(0.4)	(0.4)
Storage Cost	(35.8)	(34.5)	1.3	4
Administrative Expenses	(10.9)	(9.9)	1.0	10
Depreciation	(8.4)	(7.9)	0.5	6
Financial Charges	(1.7)	(1.4)	0.3	21
TOTAL OPERATING COST	(56.8)	(53.7)	(3.1)	6
Prior period Adjustment	(0.1)	(0.1)	–	–
Loss on foreign exchange	(4.1)	(0.5)	3.6	720
NET SURPLUS	43.8	50.9	(7.1)	(14)

The Operating cost increased by 6% compared to last year. This is due to the increase in salaries & wages (**Rs 1.5 M**) and administrative expenses (**Rs 1.0 M**).

AMB incurred a loss of **Rs 3.6 M** on the conversion of foreign loans as at the end of the financial year 2002 due to appreciation in the EURO currency.



Financial
Statements
for the year
ended
31st December
2002



Financial Statements

for the Year ended 31 December 2002

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Balance Sheet

as at 31 December 2002

	Notes	2002 Rs	2001 Rs
FIXED ASSETS	3	84,042,676	87,957,789
INVESTMENTS	4	9,694,627	9,034,890
CURRENT ASSETS			
Stock	6	48,046,739	66,073,707
Trade and other receivables	7	74,366,017	15,327,610
Investments		105,603,216	115,000,000
Cash and Bank balances	8	469,343	406,126
Medical Assistance Fund Savings Account	4	1,303,442	1,193,451
		<u>229,788,757</u>	<u>198,000,894</u>
CURRENT LIABILITIES			
Trade and other payables	9	24,120,527	30,713,623
Bank Overdrafts		15,441,258	23,075,187
		<u>39,561,785</u>	<u>53,788,810</u>
NET CURRENT ASSETS		<u>190,226,972</u>	<u>144,212,084</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>283,964,275</u>	<u>241,204,763</u>
LONG TERM LIABILITIES	10	<u>51,168,864</u>	<u>48,540,723</u>
NET ASSETS		<u>232,795,411</u>	<u>192,664,040</u>
FINANCED BY CAPITAL & RESERVES			
Capital Grant	11	44,247,000	48,088,000
Medical Assistance Fund		1,303,442	1,193,451
Trading Equalisation Reserve	12	169,855,975	125,993,595
Other Reserves	13	17,388,994	17,388,994
		<u>232,795,411</u>	<u>192,664,040</u>

Approved by the Board on 28 January 2004



Chairman



General Manager

The Notes on pages 49 to 56 form part of these Accounts.

Income and Expenditure Statement

for the year ended 31 December 2002

	Notes	2002 Rs	2001 Rs
Income	14	78,008,476	81,416,162
Operating Expenditure	15	(56,835,291)	(53,596,879)
Operating Surplus		21,173,186	27,819,283
Loss on Exchange		(4,085,145)	(571,087)
Other Income	16	26,847,587	23,854,142
Net Surplus for the period before Prior Year Adjustment		43,935,627	51,102,338
Prior Year Adjustment	17	73,247	131,992
Net Surplus for the period after Prior Year Adjustment		43,862,380	50,970,346
Trading Equalisation Reserve brought forward		125,993,595	75,023,249
Trading Equalisation Reserve carried forward		169,855,975	125,993,595

Cash Flow Statement

for the year ended 31 December 2002

	2002		2001	
	Rs	Rs	Rs	Rs
CASH FLOWS FROM OPERATING ACTIVITIES				
Net Surplus	43,862,380		50,970,346	
Adjustments for :				
Depreciation	8,419,531		7,896,041	
Grant amortised	(3,841,000)		(3,678,600)	
Foreign Exchange Loss / (Gain)	4,085,145		571,087	
Interest Income	(13,167,181)		(10,890,893)	
Interest Expense	1,679,718		1,271,639	
Profit on Sales of Fixed Assets	(1,045)		(25,783)	
Operating Surplus Before Working Capital Changes	41,037,549		46,113,837	
(Increase)/Decrease in Trade & Other Receivables	(59,181,809)		2,572,908	
(Increase)/Decrease in Stock	18,026,969		(26,084,115)	
Increase/(Decrease) in Trade & Other Payables	(6,756,975)		5,164,485	
Cash generated from Operations	(6,874,267)		27,767,115	
Interest paid	(1,690,245)		(1,258,319)	
NET CASH FROM OPERATING ACTIVITIES		(8,564,512)		26,508,796
Cash Flow from Investing Activities:				
Purchase of Fixed Assets	(4,505,976)		(7,517,145)	
Repayment of Loan to Govt of Mauritius	-		(1,910,000)	
Sinking Fund Investment	(207,385)		(207,385)	
Proceeds from sale of fixed assets	2,600		31,591	
Interest Received	12,858,233		8,251,403	
Net Cash used in Investing Activities		8,147,472		(1,351,536)
Cash Flow from Financing Activities:				
Payment of Government Loan		(1,282,598)		(1,164,998)
Net (Decrease)/Increase in Cash & Cash Equivalent		(1,699,638)		23,992,262
Cash & Cash Equivalent at Beginning of Period		92,330,940		68,338,678
Cash & Cash Equivalent at End of Period		90,631,302		92,330,940

Value Added Statement

	2002		2001	
	Rs (000)		Rs (000)	
VALUE CREATED				
Income	379,072		354,480	
Less Bought in Materials & Services	273,700		292,582	
VALUE ADDED	105,372	100	61,898	100
Value Distributed				
To Remunerate Employees for their services	29,007	27	27,192	44
To Providers of Finance	1,680	2	1,272	2
	30,687	29	28,464	46
Value Retained				
To Maintain and Develop Operations	74,685	71	33,434	54
	105,372	100	61,898	100







Notes to and forming part of the Financial Statements for the year ended 31 December 2002

1. Principal Activities

The Agricultural Marketing Board (AMB), a body corporate, was established in 1963 to serve the purpose described in The Mauritius Agricultural Marketing Act 1963.

The AMB deals with purchases and sales, imports and exports, marketing, storage and distribution of controlled and other products. It also rents storage space whenever available.

2. Accounting Policies

(a) Basis of Preparation

The Financial statements have been prepared under the historical cost convention.

(b) Fixed Assets and Depreciation

Fixed assets are stated at cost before deduction of grants received. The cost of fixed assets is depreciated in equal instalments over the estimated useful life of the assets.

The annual rates of depreciation are as follows:

	2002 %
Warehouse and office building	2.0
Plant and Machinery	10.0
Stores Equipment and Palletisation	12.5
Motor Vehicles	10.0
Motor Car	12.5
Office Equipment	12.5
Fixtures and Fittings	10.0
Computer Equipment	20.0
Tractors and Trailers	10.0
Waterproofing	10.0

Notes to and forming part of the Financial Statements for the year ended 31 December 2002

Note 3: FIXED ASSETS AS AT 31 DECEMBER 2002

	Building	Plant & Machinery	Stores Equipment & Palletisation	Motor Vehicles	Motor Car	Tractors & Trailers	Office Equipment	Furniture & Fittings	Computer Equipment	Waterproofing	TOTAL
	Rs										
COST											
As at 1 January 2002	57,418,421	59,108,502	25,212,097	3,274,062	2,898,399	233,062	2,324,545	258,682	2,023,056	2,777,970	155,528,795
Additions	-	-	3,099,240	-	-	-	199,248	72,275	1,155,673	-	4,526,436
Disposal	-	-	(2,488)	-	-	-	-	-	(20,460)	-	(22,948)
As at 31 December 2002	57,418,421	59,108,502	28,308,849	3,274,062	2,898,399	233,062	2,523,793	330,957	3,158,268	2,777,970	160,032,283
PROVISION FOR DEPN.											
As at 1 January 2002	14,467,233	31,852,500	13,872,475	2,332,969	1,284,592	233,061	1,644,243	59,964	1,268,378	555,594	67,571,009
Disposal	-	-	(13,418)	-	-	-	-	-	(10,188)	-	(23,606)
Charge for the period	1,148,368	3,407,000	2,372,933	160,049	292,630	-	180,756	33,096	569,574	277,797	8,442,204
As at 31 December 2002	15,615,601	35,259,500	16,231,990	2,493,018	1,577,222	233,061	1,824,999	93,060	1,827,764	833,391	75,989,607
NET BOOK VALUE											
As at 31 December 2002	41,802,820	23,849,002	12,076,859	781,044	1,321,177	1	698,794	237,897	1,330,504	1,944,579	84,042,676
As at 31 December 2001	42,951,189	27,256,005	11,339,621	941,093	1,613,807	1	680,302	198,718	754,678	2,222,376	87,957,790

The Buildings of the AMB were valued for insurance purposes on 22 March 2002 by Mr G Sonah, A.R.I.C.S Barrister at Law, at the depreciated value of Rs 93,653,963 on a reinstatement basis.

Notes to and forming part of the Financial Statements for the year ended 31 December 2002

4. Specific Funds Investment

(a) Sinking Fund

This fund is in respect of a loan of Rs. 20,738,537 due to the Government of Mauritius which is repayable by way of a contribution of one percent thereof, together with interest accruing thereon, over forty years to a sinking fund kept by the Accountant General.

(b) Medical Assistance Fund

This fund is made up of contributions by the Board and its employees and of interest accruing on the Savings Account. This Fund amounted to Rs 1,303,442/- as at 31 December 2002 and Rs 1,193,451/- as at 31 December 2001.

5. Pension Fund

SICOM Ltd is managing a pension fund made up of contributions by the Board and of net income earned. The fund amounted to Rs 34,218,465 as at 31 December 2002 and Rs 30,964,377 as at 31 December 2001. The actuarial report of 1999 showed that the actuarial value of liabilities exceeds the value of the assets by Rs 13.5 million on increasing pension basis (5% per annum). Consequently the pension contribution was increased from 18% to 24 % of the monthly salary as from 1 July 2001.

6. Stocks

	2002 Rs	2001 Rs
Agricultural products	42,635,259	60,857,225
Spare parts, stationery, plastic sheets & leno bags	5,411,480	5,216,482
	48,046,739	66,073,707

Stocks are valued at lower of cost and net realisable value.

7. Trade & Other Receivables

	2002 Rs	2001 Rs
Trade receivables	5,522,349	5,621,687
Loan to Employees	2,306,449	1,904,950
Interest Receivable	4,179,771	4,323,174
Prepayments	62,357,448	3,477,799
	74,366,017	15,327,610

8. Cash & Bank Balances

	2002 Rs	2001 Rs
Cash in hand	181,618	98,964
Cash at Bank	287,726	307,162
	469,343	406,126

Notes to and forming part of the Financial Statements for the year ended 31 December 2002

9. Trade & Other Payables

	2002 Rs	2001 Rs
Amount falling due within one year:		
Trade payables	12,719,250	15,589,450
Other payables	695,672	411,654
Deposit on Seeds & Others	1,488,599	5,759,386
Loan payable within 1 year	1,383,196	1,208,790
Accruals	6,314,828	6,450,832
	22,601,545	29,420,112
Amount falling due after more than one year:		
Provision for passage benefit	1,518,983	1,293,511
	24,120,528	30,713,623

10. Loans

	2002		2001	
	EURO	Rs	EURO	Rs
In respect of :				
Building - Note (a)	—	20,738,538	—	20,738,538
Onion & Seed stores - Note (b)	1,030,397	31,813,522	1,075,197	29,010,975
	1,030,397	52,552,060	1,075,197	49,749,513
Loan payable within 1 year	44,800	1,383,196	44,800	1,208,790
Loan payable within 2 - 5 years	179,200	5,532,785	179,200	4,835,161
Loan payable within 6 -10 years	223,999	6,915,981	223,999	6,043,952
Loan payable more than 10 years	582,398	38,720,097	627,198	37,661,609
Long Terms Loans	985,597	51,168,864	1,030,397	48,540,723
Rate EURO/Rs	30.875		26.982	

Note (a) - 4% Building Loans repayable by way of 1% annual contribution over 40 years to a sinking fund payable on 31 December each year.

Note (b) - 1% Onion and Seed Stores Loans repayable by 60 half yearly instalments as from 15 May 1996.

11. Capital Grant

Capital Grant, received by way of equipment and cash, are capitalised under fixed assets and the value of the equipment are treated as deferred revenue, a portion equivalent to the estimated annual use being released to the Income and Expenditure Account every year.

Notes to and forming part of the Financial Statements for the year ended 31 December 2002

12. Trading Equalisation Reserve

	2002 Rs	2001 Rs
Trading Equalisation Reserve brought forward	125,993,595	75,023,249
Net Surplus for the period	43,862,380	50,970,346
Trading Equalisation Reserve carried forward	169,855,975	125,993,595

13. Other Reserves

This item arises as a result of the cessation of activities of the Rose Belle Maize Drying Centre with the writing off by Government of the related loan balance due (EURO 747,441) and also the assets of the Maize Plant by Agricultural Marketing Board.

	Rs	Rs
Loan Balance		18,671,798
Building - Maize Drying Centre	1,280,393	
Plant and Machinery - Maize Drying Centre	2,411	(1,282,804)
NET BALANCE		17,388,994

The net loan balance was transferred to a Capital Development Reserve.

14. Income

	2002 Rs	2002 Rs	2001 Rs	2001 Rs
Sales		352,223,949		330,626,324
Less : Cost of Sales				
Opening Stock	60,857,225		34,722,289	
Purchases	255,993,506		275,345,098	
Closing Stock	(42,635,259)		(60,857,225)	
		274,215,473		249,210,162
		78,008,476		81,416,162

15. Operating Expenditure

		2002 Rs	2001 Rs
Storage Costs	(Appendix 1)	34,599,422	33,339,783
Administrative expenses	(Appendix 2)	10,947,291	9,989,416
Depreciation	(Note 3)	8,442,204	7,896,041
Financial Charges	(Appendix 3)	1,679,718	1,271,639
Rent Payable Freeport		1,166,656	1,100,000
		56,835,291	53,596,879

Notes to and forming part of the Financial Statements for the year ended 31 December 2002

16. Other Income

	2002 Rs	2001 Rs
Cess Received	443,704	422,109
Storage Rent Receivable	8,975,537	8,133,536
Sundry Income	4,261,165	4,407,604
Interest Receivable (Appendix 5)	13,167,181	10,890,893
	26,847,587	23,854,142

17. Prior Period Adjustment

	2002 Rs	2001 Rs
The Prior Period Adjustment consists of:		
Overdepreciation	(22,673)	—
Rebate on Onion Seed	95,920	—
Marine Insurance	—	131,993
	73,247	131,993

18. Contingencies

The AMB has, as at March 2003, some six pending cases arising from ex-employees who are claiming damages amounting to a total of Rs 6.3M.

Appendices

for the year ended 31 December 2002

Storage Costs

Appendix 1

ITEMS	2002 Rs	2001 Rs
Salaries & Wages, Overtime & Allowances	21,474,441	19,970,768
Water & Electricity	8,618,716	8,283,120
Repairs & Maintenance & Insurance	3,733,757	4,264,416
General Expenses - Store	359,004	392,370
Provision for Leave Passages	413,503	429,109
	34,599,422	33,339,783

Administrative Expenses

Appendix 2

ITEMS	2002 Rs	2001 Rs
Salaries & Allowances	6,964,491	6,636,296
Overseas Travelling	311,092	123,235
Motor Vehicle Running Expenses	667,416	778,372
Printing & Stationery, Advertising, Postage & Telephone	1,085,512	1,193,431
Legal & Professional	167,135	125,000
Audit Fee	60,000	60,000
General Expenses	626,107	605,606
Board Members Fees	397,050	289,950
Rent of Leasehold Land	14,356	21,057
Provision for Leave Passages	154,132	156,469
Increase in Provision for Bad Debts	500,000	—
	10,947,291	9,989,416

Appendices

for the year ended 31 December 2002

Appendix 3

Financial Charges

	2002 Rs	2001 Rs
Interest on Long-term loan from Government of Mauritius and EDF	1,137,635	1,116,989
Interest on Bank overdraft	542,084	154,650
	1,679,718	1,271,639

Appendix 4

Foreign Currencies

Transaction in foreign currencies are recorded using the rate of exchange ruling at the date of the transaction. Monetary assets and liabilities are translated using the rate of exchange ruling at the balance sheet date and gains or losses on transaction are transferred to the Income and Expenditure Account. A loss on exchange amounting to Rs 4,085,145 was debited (compared to a loss of Rs 571,087 in 2001) to the Income and Expenditure Account.

Appendix 5

Interest Receivable

	2002 Rs	2001 Rs
Interest received on credit sales	94,195	250,235
Interest on Sinking Fund Investment	452,351	420,357
Interest on Deposit Account	12,620,635	9,978,855
Other Interest	—	241,446
	13,167,181	10,890,893

Five Year Summary

	2002 (Rs 000)	2001 (Rs 000)	2000 (Rs 000)	1999 (Rs 000)	1998 (Rs 000)
A. INCOME AND EXPENDITURE					
Income	78,008	81,416	68,786	55,821	17,480
Other Income	26,848	23,854	18,645	14,044	16,662
	104,856	105,270	87,431	69,865	34,142
Grant	3,841	3,841	3,932	622	102
Subsidy	—	—	—	10,786	32,022
Operating surplus	21,173	27,819	21,000	25,529	2,423
Net Surplus	43,862	50,970	39,031	41,496	13,786
B. BALANCE SHEET					
Fixed Assets	84,043	87,958	88,484	27,662	27,301
Investment	9,695	9,035	8,407	7,809	7,239
Net Current Assets	190,227	144,212	97,877	68,770	41,846
Long-term Loans	51,169	48,541	49,159	49,638	54,657
Trading Equalisation Reserves	169,856	125,994	75,023	35,993	3,583
Capital Grant	44,247	48,088	52,287	449	102
C. CASH FLOW STATEMENT					
Cash generated from operations	(6,874)	25,438	48,239	55,133	26,161
Capital Expenditure	4,713	7,725	12,478	2,513	2,820
Loan repaid	1,283	1,165	1,065	1,200	1,854
	%	%	%	%	%
D. FINANCIAL INDICATORS					
Operating Surplus Margin	6.0	8.4	6.8	6.0	0.5
Return on Net Assets	18.8	26.5	26.8	76.0	63.4
Return on Fixed Assets	52.2	57.9	44.1	150.0	50.5
E. PRODUCTIVITY AND EMPLOYEE DATA					
Average number of employees	178	185	178	171	192
Value Added per employee	429	335	304	259	113
Ratio of value added to employment cost	2.63	2.00	2.00	2.00	0.84
Ratio of employment cost to total income	0.28	0.30	0.40	0.40	1.48

Report of the Director of Audit to the Chairperson of the Agricultural Marketing Board

I have audited the accompanying Balance Sheet of the Agricultural Marketing Board as of 31 December 2002, and the related statements of income, and cash flows for the year then ended. These financial statements are the responsibility of the Board. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with International Standards on Auditing. Those Standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. I believe that my audit provides a reasonable basis for my opinion.

AUDIT OPINION

In my opinion, the financial statements give a true and fair view of the state of affairs of the Agricultural Marketing Board as of 31 December 2002, and of its income and expenditure for the year then ended and comply with the Statutory Bodies (Accounts and Audit) Act.

R. JUGURNATH

Director of Audit

Government Audit Office

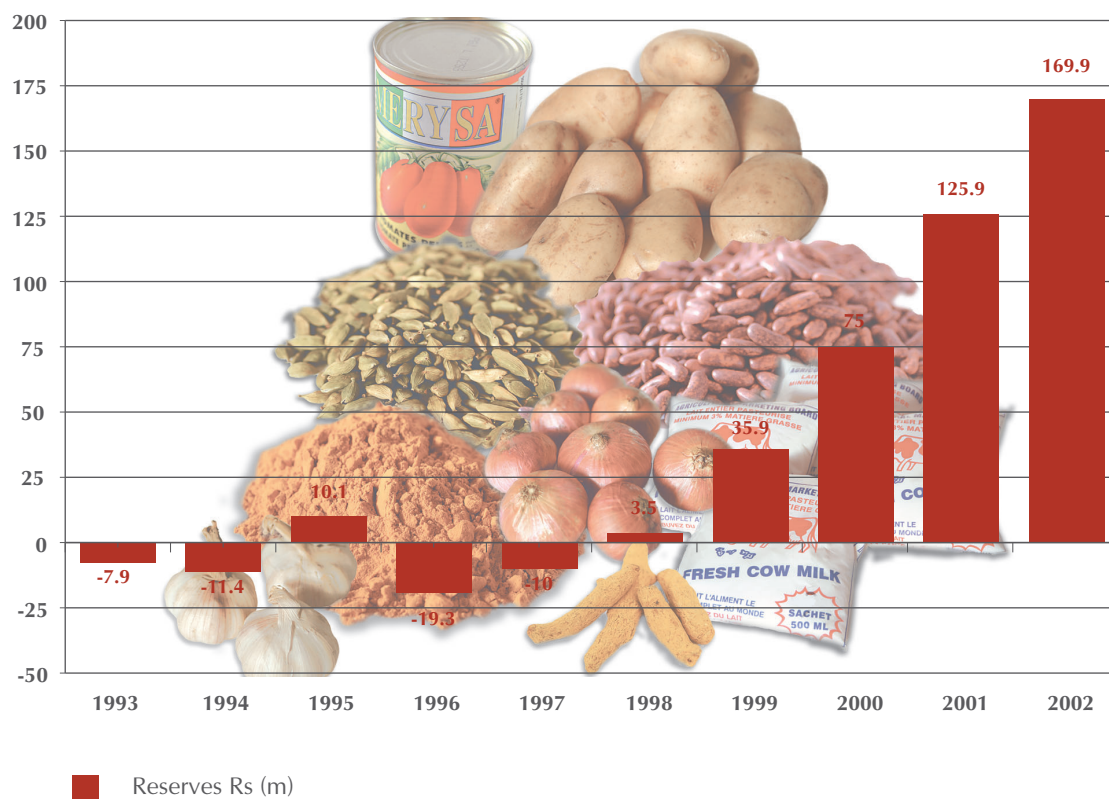
Level 14

Air Mauritius Centre

PORT LOUIS

22 March 2004

Trading Equalisation Reserves (years: 1993 - 2002)



Agricultural Marketing Board

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