



SEED POTATO & OTHER SEEDS

Seed by Year Production
Seed by Seed Production
Over-Seed

TABLE POTATO

Local Production
Imports
Prices
Sales

ONION

Local Production
Imports
Prices
Sales

GARLIC

Local Production Imports & Sales

OTHER CONTROLLED PRODUCTS

SALES BY MONTH

RODRIGUES Purchase of Onion and Garlic




amb
 AGRICULTURAL MARKETING BOARD



ANNUAL REPORTS

2003 & 2004

MISSION STATEMENT



To promote the diversification of agriculture for the benefit of local producers and consumers, stabilise prices of “Controlled Products” by optimising resources and providing an excellent level of customer care.



STATEMENT OF CHAIRMAN



24 February 2006

The Honorable Arvin BOOLELL
Minister of Agro Industry and Fisheries
Port Louis

Sir,

I Have the honour to submit the Annual Report of the Agricultural Marketing Board for the years ended 31 December 2003 and 2004 respectively in accordance with the provision of Section 25 of the Mauritius Agricultural Marketing Act of 1963.

Your faithfully

T. DEWOO
chairman
AGRICULTURAL MARKETING BOARD

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RENOVATION OF STORES AT MOKA

In our previous report, we mentioned that in July 2002, AMB had contracted with Messrs Harel Mallac Co. Ltd a major renovation project for the stores at Moka, comprising the crate store – (9) cold rooms, the bulk store – (12) cold rooms, the onions and seed store – (8) cold rooms, and (2) drying rooms.

Renovation and upgrading had become crucial as the stores had stopped functioning properly and had ceased to meet the purposes for which they had been built – that is the provision of cold storage facilities for maintaining the products in good condition.

The stores were completed in December 2004. In addition to the storage of potato and onion seeds in optimum condition, AMB started to import refrigerated garlic which was kept under cold temperatures which help to maintain the quality as the buffer stock no longer deteriorated.

It is expected that these stores and equipment will remain in service for at least 25 years relieving the Board of the pressure to look for and rent cold store space at high rates as it had to in the years 2002 and 2003.

TRADING OF CONTROLLED PRODUCTS

In the years under review, products costs have continued to increase both as a result of an appreciation of foreign currencies against the rupee and the cost of freight. Freight charges sometimes exceeded the cost of the commodity itself. It is expected that there will be a stabilization of the freight rates in year 2006 onwards.

Trading surpluses of the commodities turned into losses. The Board chose not to pass on the increases in commodities cost to the consumers. However, it will be reluctantly compelled to adjust selling prices should the trend in increasingly rising costs continue.

The Board has regularly maintained an adequate buffer stock to ensure food security in Mauritius with the result that no shortage of the basic commodities dealt by the Board was felt even for one single day.

SUBSIDIES

AMB has continued to support the Small Cow-keepers Scheme for fresh pasteurized milk by subsidizing the operations by Rs 10 M for the years under review. In addition, AMB invested in four refrigerated lorries – Rs 5.8 M – to transport in good condition fresh milk from farm gate to the dairy and supply good quality pasteurized milk to the shops.

It has also subsidized the sale of seeds to producers of both seed and ware potatoes in a bid to reduce cost of production of table potatoes.

FINANCES

As a result of the above policies, the AMB made a loss of Rs 27 M in 2004 after achieving a reduced surplus of Rs 5 M in 2003 – from a surplus of Rs 44 M in 2002. These negative results can be easily offset when prices are reviewed to their proper level – that is at least a break even point.

ACKNOWLEDGEMENT

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

BOARD CONSTITUTION

2003 & 2004



2003

The Board of the AMB was constituted as follows in 2003:

	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
	Miss A Maulloo (as from October 2003)	Representative of the Ministry of Industry, Commerce & International Trade
5	Mr I Seebaluck	Representative of the Ministry of Finance
6	Mr P Sahadew	Representative of Registrar of Co-operative Societies
7	Mr J C Monty	Representative of Mauritius Chamber of Agriculture
8	Dr C Soopramanien	Representative of Mauritius Sugar Industry Research Institute
	Dr N Govinden (as from November 2003)	Representative of Mauritius Sugar Industry Research Institute
9	Mr H Daby	Independent Member
10	Mr B Manikam	Independent Member
11	Mr N Naguib	Independent Member
12	Mr M Bisesar	Independent Member

2004

The Board of the AMB was constituted as follows in 2004:

	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	Miss A Maulloo	Representative of the Ministry of Industry, Commerce & International Trade
5	Mr I Seebaluck	Representative of the Ministry of Finance & Economic Development
	Mr R C Gopee (as from June 2004)	Representative of the Ministry of Finance & Economic Development
6	Mr H Mohee	Representative of Registrar of Co-operative Societies
7	Mr J C Monty	Representative of Mauritius Chamber of Agriculture
8	Dr N Govinden	Representative of Mauritius Sugar Industry Research Institute
9	Mr H Daby	Independent Member
10	Mr B Manikam	Independent Member
11	Mr N Naguib	Independent Member
12	Mr M Bisesar	Independent Member

COMMITTEES AND MEETINGS



SUB COMMITTEES OF THE BOARD

SUPPLIES COMMITTEE
 STAFF COMMITTEE
 FINANCE & TENDER COMMITTEE
 AUDIT COMMITTEE
 QUOTA COMMITTEE

OTHER COMMITTEES

NATIONAL POTATO COMMITTEE
 ONIONS COMMITTEE

MEETINGS (Board & Sub Committee of Board)

	2004	2003
a) Board Meeting	12	14
b) Special Board Meeting	3	2
c) Supplies Committee	7	11
d) Staff Committee	11	13
e) Finance & Tender Committee	1	2
f) Audit Committee	0	1
g) Ad-Hoc Committee	4	1
h) Quota	3	2
i) Technical	1	3
j) Seed Committee	0	7
k) Disciplinary Committee	0	2

ADMINISTRATIVE STAFF



The administrative staff for the year 2003 & 2004 as follows:

GENERAL MANAGER	Mr M MUNEESEAMY	FCCA, FCIS, FCBSI
ASSISTANT GENERAL MANAGER	Mr L JEEHA	BSc (Hons.) Agriculture, Dip FM, MBA
ADMINISTRATIVE SECRETARY <i>(as from March 2004)</i>	Mr R NEELAYYA	BSc (Hons.) Economics
ACCOUNTANT	Mr S. JEEWAJEE	ACCA
INTERNAL AUDITOR <i>(as from 01 August 2004)</i>	Mr D. JUGGOO	FCCA
HUMAN RESOURCE OFFICER	Mr V MOHAMUDALLY	BSc (Hons.) Management

PROFESSIONAL SERVICES

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





SEED POTATOES & OTHER SEEDS

- SEED FOR WARE PRODUCTION
- SEED FOR SEED PRODUCTION
- OTHER SEEDS

TABLE POTATO

- LOCAL PRODUCTION
- IMPORTS
- SALES

ONION

- LOCAL PRODUCTION
- IMPORTS
- RODRIGUES ONIONS
- SALES

GARLIC

- LOCAL PRODUCTION
- IMPORTS
- SALES

OTHER CONTROLLED PRODUCTS

- TURMERIC (POWDER & FINGER)
- CARDAMOMS
- BY-CATCH FISH

OTHER PRODUCTS IMPORTED & COMMERCIALISED BY AMB

OUTSTATIONS

- MILK SECTION
- AIRPORT UNIT
- TROU FANFARON COLD STORE
- CLUNY STORE

SEEDS

(POTATO AND OTHERS)



SEED FOR WARE PRODUCTION



LOCAL SEEDS

The Agricultural Marketing Board (AMB) has continued to play an important role in the potato 'filière' in Mauritius. Being the sole importer of seed potatoes, it has to ensure that adequate good quality seeds are available to the planting community. All seeds are produced in conformity with the standards laid down by the Mauritius Sugar Industry Research Institute (MSIRI) and are certified by them prior to sale to planters.

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 17,615** per tonne in 2002 to **Rs 18,100** per tonne in 2003. In 2004, the purchase price was further reviewed to **Rs 19,030** per tonne.

In 2004, **1,303** tonnes of seeds were produced as compared to **1,531** tonnes in 2003. (This downward trend resulted from the fact that **125** tonnes of basic seeds potatoes imported from Holland in 2003 were destroyed due to the problem of 'powdery scab' and were not available for multiplication.)

Seeds for ware production were sold to planters at **Rs 28,500** per tonne in 2004 as compared to **Rs 26,000** per tonne in 2003.

SEED FOR WARE PRODUCTION



PURCHASE OF LOCAL SEED POTATOES BY AMB

PRODUCER	2004				2003			
	Spunta	Mondial	Stirling	TOTAL	Spunta	Mondial	Spunta (Oversized)	TOTAL
	(TONNE)							
Beau-Plan	83.4	-	-	83.4	129.1	-	-	129.1
Britannia	-	-	-	-	16.1	-	-	16.1
FUEL	20.8	-	-	20.8	177.1	-	16.2	193.3
MDA	-	116.7	-	116.7	-	54.7	-	54.7
Nouvelle Industrie	257.1	35.4	-	292.5	213.4	30.2	-	243.6
Savannah	409.6	-	-	409.6	344.1	-	16.3	360.4
Medine	112.6	-	-	112.6	176.6	-	17.9	194.5
Belle-Vue	71.5	-	-	71.5	92.4	-	-	92.4
MAMCF	52.0	-	-	52.0	75.1	-	0.4	75.5
OPA	58.4	-	-	58.4	57.6	-	-	57.6
EXCEL GROUP	45.1	-	-	45.1	69.8	-	3.6	73.4
Individual Planters	40.8	-	-	40.8	40.6	-	-	40.6
TOTAL	1,151.3	152.1	-	1,303.4	1,391.9	84.9	54.4	1,531.2

DRBC - Deep River Beau Champ Sugar Estate

FUEL - Flacq Union Estate Limited

MDA - Mon Desert Alma Sugar Estate

OPA - Onion Producers Association

MAMCF - Mauritian Agricultural Marketing Cooperative Federation



SEED FOR WARE PRODUCTION



IMPORTED SEED POTATOES FOR WARE PRODUCTION

The AMB continued to import seeds for ware production as a result of the insufficient quantity of locally produced seeds for the local planting community. Both in 2003 and 2004 seeds for ware production were imported from Australia due to unavailability of required varieties from South Africa.

It should, however be noted that in 2003, 7 tonnes of seed potatoes cultivar 'Liseta' were imported from South-Africa on a trial basis on the recommendation of the MSIRI for large scale experimental purposes. The whole lot were planted at Britannia. However, due to problem of drought, the yield was affected and a proper assessment could not be made. The experience has not been repeated in 2004.

COST OF IMPORTED SEED FOR WARE PRODUCTION

Variety	Origin	Average Price		Quantity (Tonne)	
		C&F (Rs/Tonne)		2004	2003
		2004	2003	2004	2003
DELAWARE	AUSTRALIA	20,500	19,765	600	539
MONDIAL	AUSTRALIA	-	18,565	-	15
SPUNTA	AUSTRALIA	20,500	16,140	15	164
LISETA	SOUTH AFRICA	-	19,115	-	7
TOTAL				615	725

The weighted average cost of imported seeds (C & F) amounted to **Rs 20,500** per tonne in 2004 and **Rs 18,910** per tonne in 2003.

Seed potatoes were offered to planters at **Rs 28,500** per tonne in 2004 and **Rs 26,000** per tonne in 2003 based on a weighted average cost of imported and local seeds.

SEED FOR WARE PRODUCTION



SALES OF POTATO SEEDS FOR WARE PRODUCTION

Sale of seeds to planters in 2004 & 2003 were as follows:

PRODUCER GROUPS	2004	2003
	(Tonne)	
SUGAR ESTATES	482.0	493.0
MAURITIUS AGRICULTURAL MARKETING COOPERATIVE FEDERATION LTD (MAMCF)	415.6	428.9
NATIONAL FEDERATION OF YOUNG FARMERS CLUB	123.9	117.9
AGRICULTURAL DEVELOPMENT MARKETING ASSOCIATION (ADMA)	39.0	26.0
ONION PRODUCERS ASSOCIATION (OPA)	61.6	55.0
OTHERS (Individual Planters)	456.4	339.1
TOTAL	1,578.5	1,459.9



SEED FOR SEED PRODUCTION



ALLOCATION

In 2004, **457.5** tonnes of basic seeds were allocated for seed production as compared to **385.4** tonnes in 2003. Variety Spunta continued to be the most preferred variety by producers.

variety	2004			2003		
	Local	Imported	TOTAL	Local	Imported	TOTAL
Spunta	313	112.5	425.5	160.2	210.2	370.4
Mondial	27	5	32	10	5	15
TOTAL	340	117.5	457.5	170.2	215.2	385.4

BASIC IMPORTED SEEDS

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

VARIETY	ORIGIN	AVERAGE COST C&F (Rs/Tonne)		QUANTITY(Tonne)	
		2004	2003	2004	2003
SPUNTA	HOLLAND	35,940	32,935	43	45
	AUSTRALIA	18,700	16,340	72	92
	UK	-	24,790	-	125*
MONDIAL	HOLLAND	35,940	29,940	5	5
TOTAL				120	267*

In 2003, **125** tonnes of seed potatoes cultivar 'Spunta' meant for seed multiplication, imported from HIGGINS UK, 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 the presence of powdery scab on the tubers. The whole consignment had to be destroyed.

The weighted average cost of imported basic seeds (C&F) amounted to **Rs 25,600** per tonne in 2004 as compared to **Rs 23,350** per tonne in 2003.

The selling price to seed producers for both local and imported seeds for multiplication was **Rs 25,000** per tonne in 2003 while it amounted to **Rs 27,000** per tonne in 2004 as a result of depreciation of the Mauritian rupee vis-à-vis the foreign currencies.

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)	
	2004	2003
Long Tom	12,000	8,000
TOTAL	12,000	8,000

In both 2003 and 2004, only varieties 'Long Tom' were imported from Holland. This variety is most preferred by the planters.

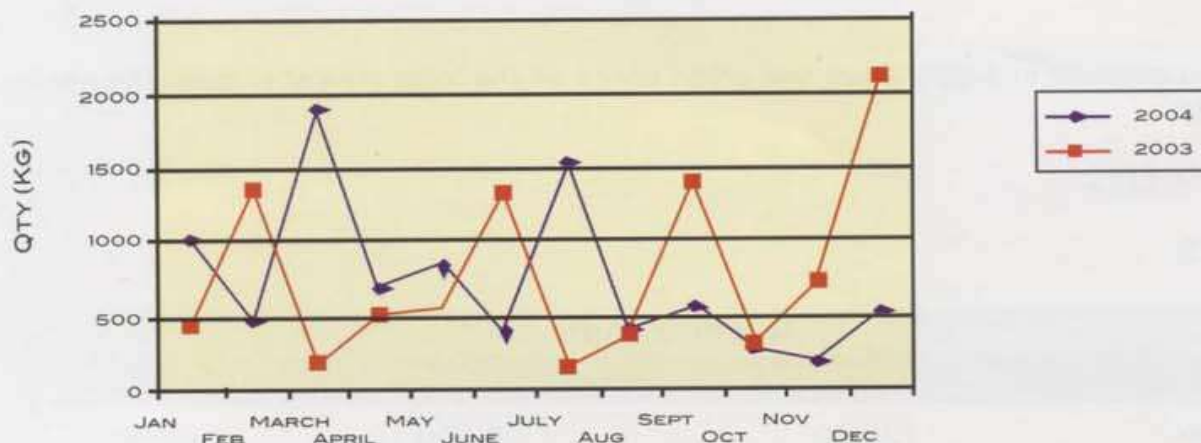
SALE OF BEAN SEEDS BY AMB

Month	QTY (Kg)	
	2004	2003
January	1,011.5	443.5
February	467.5	1,359.0
March	1,895.0	181.0
April	690.0	526.5
May	841.0	555.5
June	390.5	1,347.0
July	1,537.5	144.0
August	407.0	370.5
September	555.5	1,404.0
October	261.5	321.5
November	197.0	735.0
December	523.0	2113.0
TOTAL	8,777.0	9,500.5

LOCAL PRODUCTION



SALE OF BEAN SEEDS



In 2004, the AMB sold **8,777 kg** of bean seeds to planters as compared to **9,500 kg** in 2003.

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. In line with its objective to promote local production, seeds were sold to planters at subsidized prices. Only varieties, recommended by Agricultural Research Extension Unit (AREU) were offered for sale in 2004 and 2003 respectively.

SALE OF ONION SEEDS

Campaign 2004			Campaign 2003		
VARIETY	Quantity (kg)	Price (Rs/Kg)	VARIETY	Quantity (kg)	Price (Rs/Kg)
Star 5516	10.0	5,625	Star 5516	5.5	4,500
Star 5517	10.0	5,625	Star 5517	152.5	4,500
Nun 7272	91.5	6,500	Nun 7272	-	-
Noflaye	170.6	3,000	Noflaye	5.5	3,000
Veronique	-	-	Veronique	207.5	2,000
Z 516	-	-	Z 516	26.0	4,000
RedCreole	-	-	RedCreole	6.5	800
TOTAL	282.1		TOTAL	403.5	



POTATOES





Local production of table potatoes was **11,246** tonnes in 2004 as compared to **12,259** tonnes in 2003. The fall in production resulted from the high incidence of late blight disease in the region of La Marie.

AREA HARVESTED AND LOCAL PRODUCTION

Month	Area Harvested (Hectare)		Production (Tonne)	
	2004	2003	2004	2003
January	2.68	13.83	16.08	309
February	-	0.42	-	4
March	-	-	-	-
April	-	-	-	-
May	-	0.42	-	3
June	7.28	5.06	88.19	31
July	102.30	85.89	1,351.06	1,557
August	130.68	96.73	1,930.99	1,926
September	82.74	90.02	1,605.07	1,944
October	66.41	65.61	1,155.68	1,652
November	138.65	103.98	3,518.13	2,681
December	75.97	120.31	1,581.27	2,152
TOTAL	606.71	582.27	11,246.48	12,259

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 2004, **1,637** tonnes of table potatoes were sold to the AMB as compared to **866** tonnes in 2003.

The floor price at which the AMB purchased table potatoes from planters was revised from **Rs 10,730** per tonne in year 2002 to **Rs 11,885** per tonne in 2003 and to **Rs 12,600** per tonne in 2004.

PURCHASE OF LOCAL WARE POTATO BY AMB – 2004

Month	Sugar Estates	A.M.C.S	O.P.A (kg)	Individual	TOTAL
January July	0	0	-	0	0
August	82	10	-	28.5	120.5
September	22	9	-	44.5	75.5
October	215	0	-	55.5	270.5
November	689	103	-	199	991
December	85	24	-	70	179
TOTAL	1093	146	-	397.5	1636.5

PURCHASE OF LOCAL WARE POTATO BY AMB – 2003

Month	Sugar Estates	A.M.C.S	S.P.A & Y.F.C (Tonne)	Individual	TOTAL
January Sept	0	0	0	0	0
October	207	37	0	0	244
November	230	197	21	62	510
December	0	64	9	39	112
TOTAL	437	298	30	101	866

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

O.P.A. - Onion Producers Association

IMPORTS



Following the liberalization of the price of table potatoes in 1998, importation is effected by AMB as well as private importers. A quota representing 50% of the requirement of the country is allocated for imports to private importers during the period when local potatoes are not available.

In 2004, out of a quota of **4,050** tonnes, private importers imported **3,071** tonnes table potatoes. They imported **2,436** tonnes of table potatoes out of a quota of **3,150** tonnes in 2003.

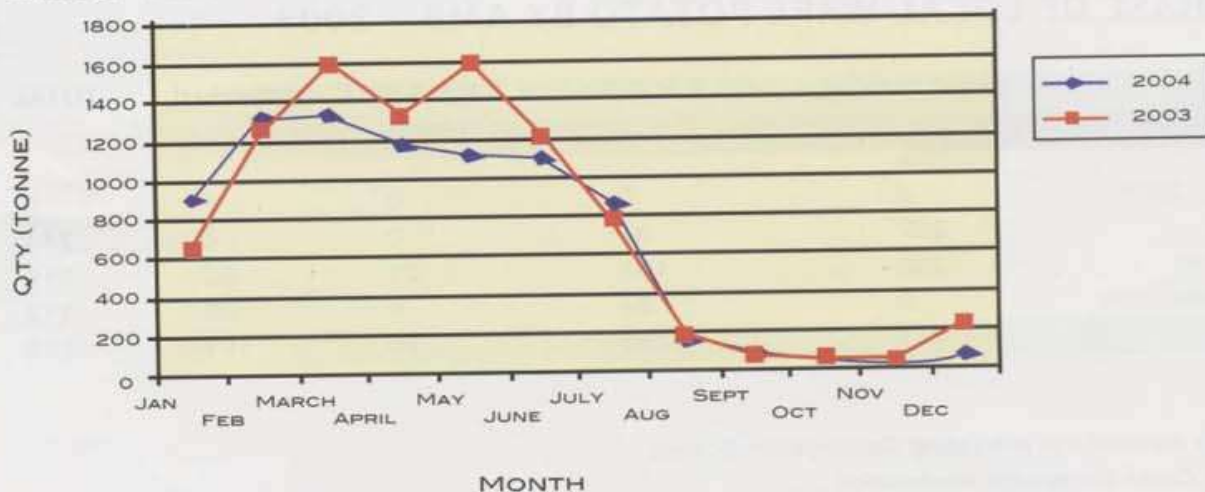
In 2004, the AMB imported **7,225** tonnes of table as compared to **9,250** tonnes in 2003.

IMPORTS AND COST OF IMPORTS

Country of Origin	2004		2003	
	Quantity (Tonne)	Weighted Average C&F/(Tonne)	Quantity (Tonne)	Weighted Average C&F/(Tonne)
South Africa	1,550	13,500	3,846	11,725
Australia	2,627	11,500	2,874	10,590
India	3,039	9,520	2,530	8,230
Madagascar	9	7,500	-	-
Total Importation by AMB	7,225		9,250	
Importation by Private Importers	3,071		2,436	
Total Importation	10,296		11,686	

The weighted average cost of imports (C&F) for AMB was **Rs 11,090** per tonne in 2004 as compared to **Rs 10,420** per tonne in 2003.

SALE OF TABLE POTATOES



Sale of table potatoes at AMB started to decline as from the month of June due to local harvest - local harvest was in full swing from August to December.

ONIONS





In 2004, Local Production of onion was **4,680** tonnes as compared to **4,022** tonnes in 2003.

LOCAL PRODUCTION AND IMPORTS OF ONIONS

Month	2004			2003		
	LOCAL PRODUCTION		IMPORTS	LOCAL PRODUCTION		IMPORTS
	Area Harvested (Hectare)	Quantity (Tonne)	Quantity (Tonne)	Area Harvested (Hectare)	Quantity (Tonne)	Quantity (Tonne)
January	0.42	6.30	2425	-	-	400
February	-	-	487.5	0.42	5	700
March	-	-	962.5	-	-	1475
April	-	-	1100	0.34	6	1560
May	3.14	42.68	1471.5	4.18	27	700
June	3.70	47.14	1313.5	5.35	71	1425
July	10.37	175.80	1350	3.49	62	1000
August	3.35	45.55	900	5.69	81	1000
September	9.90	203.69	650	5.97	88	1400
October	33.17	934.72	300	36.87	709	-
November	96.54	2476.39	-	87.45	2945	-
December	20.34	748.03	187	0.79	28	400
TOTAL	180.93	4,680.30	11,147	150.55	4,022	10,060

PURCHASE OF LOCAL ONIONS BY AMB

High Yielding	2004		High Yielding	2003	
	Local Red (Toupie)	(Tonne)		Local Red (Toupie)	(Tonne)
1.8	-		118	-	

In 2004, only **1.8** tonnes of High Yielding variety were sold to AMB as compared to **118** tonnes in 2003. Planters prefer to sell the onions directly to dealers and for the fresh market. The guaranteed producer price of high yielding varieties to planters has remained unchanged at **RS 9, 000 / Tonne** in both 2003 and 2004. The price offered for low yielding varieties is negotiable.

IMPORTS



The AMB imported **11,147** tonnes in 2004 as compared to **10,060** tonnes onions in 2003. It is worth noting that more than 95% 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. However, with a view to diversify its sources of supply, AMB continued to import from other countries than India.

IMPORTS AND COST OF IMPORTS

Country of Origin	2004		2003	
	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	10,972	9,400	9,575	7,400
South Africa	175	9,900	485	8,450
TOTAL	11,147		10,060	

The weighted average cost of imported onions was **Rs 9,400** per tonne in 2004 as compared to **Rs 7,450** per tonnes in 2003.

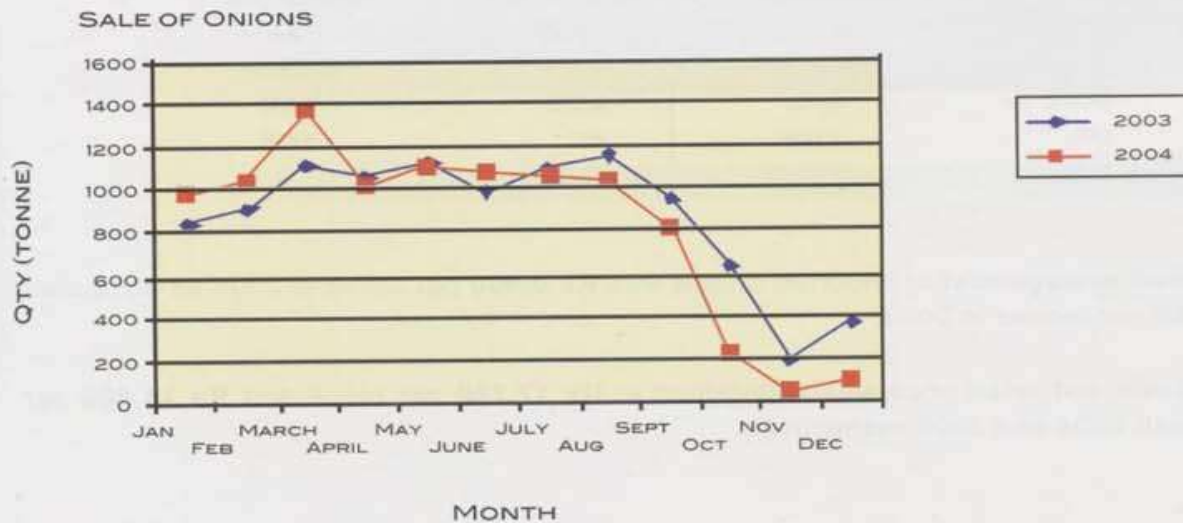
The wholesale and retail price was maintained at **Rs 12,700** per tonne and **Rs 14,000** per tonne in both 2004 and 2003 respectively.



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 2004, 171 tonnes of onions were purchased as compared to 162 tonnes in 2003.

ONIONS	2004		2003	
	Quantity Purchased (Tonne)	Price Rs/Tonne	Quantity Purchased (Tonne)	Price Rs/Tonne
Grade 1	78	11,800	90	11,800
Grade 2	64	9,600	42	9,600
G 22	29	7,500	30	7,500
TOTAL	171		162	

SALE OF ONIONS



Sale followed the same trend in 2003 and 2004. Sale started to decline as from the month of September due to availability of local onions.

GARLIC



GARLIC



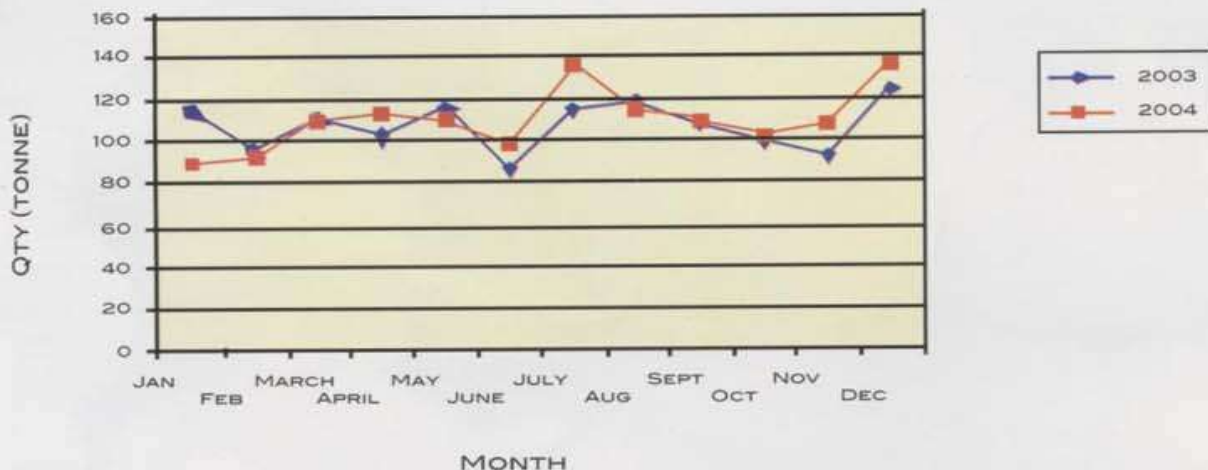
Local production of garlic continued to be very low in both 2003 and 2004. In fact, from a production of **62.8** tonnes in 2003 it reached only **75.7** tonnes in 2004.

The AMB continued to ensure regular supply on the local market through importation. Imports in 2004 were **1,492** tonnes as compared to **1,305** tonnes in 2003.

PRODUCTION & IMPORTS OF GARLIC

Month	2004			2003		
	LOCAL PRODUCTION		IMPORTS	LOCAL PRODUCTION		IMPORTS
	Area Harvested (Hectare)	Quantity (Tonne)	Quantity (Tonne)	Area Harvested (Hectare)	Quantity (Tonne)	Quantity (Tonne)
January	-	-	112	-	-	168
February	-	-	165	-	-	-
March	-	-	-	-	-	168
April	-	-	112	-	-	168
May	-	-	112	-	-	56
June	-	-	-	-	-	-
July	0.55	3.58	179	-	-	104
August	1.48	10.80	252	0.28	2.24	108
September	1.54	10.31	168	2.87	23.14	113
October	3.75	47.06	-	4.11	33.52	280
November	0.27	1.62	224	0.56	2.76	-
December	0.38	2.34	168	0.18	1.17	140
TOTAL	7.97	75.71	1492	8.0	62.83	1305 (1426.7)

SALE OF GARLIC



Sale of garlic followed the same trend in 2003 and 2004. On average the AMB sold **110** tonnes of garlic on a monthly basis from January to December.

MILK



MILK MARKETING SCHEME



In line with its objective of encouraging local production, the AMB continued to run the Milk Marketing Scheme. The Milk Marketing Scheme consists of collecting of raw milk at farm-gate, pasteurising, packing and distributing of fresh milk throughout the island.

VOLUME OF MILK COLLECTED AND SOLD BY AMB (LITRES)

MONTH	COLLECTION		SALES	
	2004	2003	2004	2003
January	69588.4	68953.0	69779.5*	65570.0
February	66448.2	64670.0	63300.0	57466.0
March	75459.8	55373.4	82687.0	60835.0
April	81519.8	59754.0	79703.5	54814.0
May	82531.2	54163.2	92453.5	59386.5
June	97492.4	62848.4	98244.0	67374.5
July	100853.4	71868.6	106902.0	77529.0
August	105576.4	83823.8	99341.5	87098.5
September	90808.2	86582.2	91000.5	84969.5
October	96048.0	83237.4	99171.5	85689.5
November	101874.0	86205.2	99013.0	81795.5
December	95114.0	80471.6	88806.5	78686.5
TOTAL	1,063,273.8	857,950.8	1,070,402.5	861,214.5

* The volume of milk sold appear to be more than the volume of milk collected
Reasons may be as follows :

- (i) Either an existing stock before the year or,
- (ii) Water from the pasteurisation machine is mixed with the milk or,
- (iii) The volume of milk collected is an estimated one.

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.

OTHER CONTROLLED PRODUCTS



CARDAMOMS



Cardamoms of Indian and Guatemala origin are normally imported by the AMB. The majority of the total imports were of Guatemala origin since prices are more competitive.

ORIGIN	IMPORTS	
	2004	2003
INDIA	-	1000
GUATEMALA	8895	6480
TOTAL IMPORT	8,895	7,480

TURMERIC



PRODUCT	ORIGIN	2004	2003
Turmeric Powder	India	198	180
Turmeric Finger		82	85

OTHER PRODUCTS



PEELED CANNED TOMATOES



The AMB continued to import canned tomatoes to supply the local market in period of shortage of fresh tomatoes especially following natural calamities like cyclones, drought.

In 2004, AMB also imported **88,800** tins of peeled canned tomatoes from Italy as compared to **45,600** tins in 2003.

GLASS JARS

With a view to support the local agro-processing industry, the AMB started importation of glass jars in 2004 for sale at competitive prices.

RODRIGUES ONIONS

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 2004, **171** tonnes of onions were purchased as compared to **162** tonnes in 2003.

ONIONS	2004		2003	
	Quantity Purchased (Tonne)	Price Rs/Tonne	Quantity Purchased (Tonne)	Price Rs/Tonne
Grade 1	78	11,800	90	11,800
Grade 2	64	9,600	42	9,600
G 22	29	7,500	30	7,500
TOTAL	171		162	

PRODUCER/FLOOR PRICE

2003 & 2004



(Goods delivered at Board unless otherwise indicated)

Products	Varieties	2004	2003
		(Rs/Tonne)	
POTATOES	Ware	12,600	11,885
	Seed	28,500	26,000
ONIONS	Local Red (Toupie)	Negotiable	Negotiable
	High Yielding	9,000	9,000
	Rodrigues	Grade 1	11,800
		Grade 2	7,500
		G22	9,600
GARLIC	Grade 1	30,000	30,000
TURMERIC		Negotiable	Negotiable
CARDAMOMS		Negotiable	Negotiable
		(Rs/Litre)	
MILK		9	9



SEED POTATOS & OTHER SEEDS
 Seed for Ware Production
 Seed for Seed Production
 Other Seeds

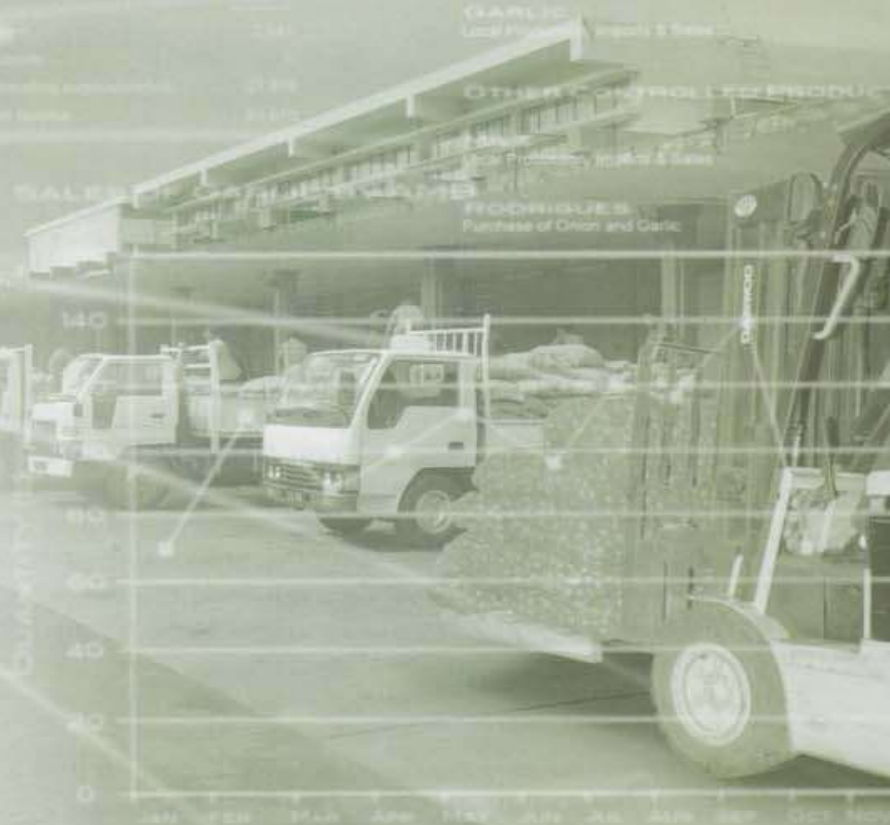
TABLE POTATOS
 Local Production
 Imports
 Prices
 Sales

ONION
 Local Production
 Imports
 Prices
 Sales

GARLIC
 Local Production
 Imports & Sales

OTHER ONYON LIGERESCU
 Local Production
 Imports & Sales

RODRIGUES
 Purchase of Onion and Garlic



FINANCIAL STATEMENTS

AS AT 31 DECEMBER 2003

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 2003, 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 from 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 financial position of the Agricultural Marketing Board as of 31 December 2003, and of the results of its operations and its cash flows for the year then ended and comply with the Statutory Bodies (Accounts and Audit) Act, 1972.

(R. JUGURNATH)
Director of Audit

National Audit Office
Air Mauritius Centre
Port Louis.

27 December 2004



BALANCE SHEET AS AT 31 DECEMBER 2003

	Notes	2003		2002	
		Rs	Rs	Rs	Rs
FIXED ASSETS	3		252,652,962		84,042,676
INVESTMENTS (Sinking Fund)	4		10,387,355		9,694,627
CURRENT ASSETS					
Stock	6	58,284,915		48,046,739	
Trade and other receivables	7	14,145,991		74,366,017	
Investments		40,043,255		105,603,216	
Cash and bank balances	8	1,514,744		469,343	
Medical Assistance Fund Savings Account	4	1,575,687		1,30,3442	
		115,564,592		229,788,757	
CURRENT LIABILITIES					
Trade and other payables	9	52,309,922		24,120,527	
Bank Overdrafts		42,862,697		15,441,258	
		95,172,619		39,561,785	
NET CURRENT ASSETS			20,391,973		190,226,972
TOTAL ASSETS LESS CURRENT LIABILITIES			283,432,290		283,964,275
LONG -TERM LIABILITIES	10		52,356,868		51,168,864
NET ASSETS			231,075,422		232,795,411
FINANCED BY CAPITAL & RESERVES					
Capital Grant	11		40,406,000		44,247,000
Medical Assistance Fund			1,575,687		1,303,442
Trading Equalisation Reserve	12		22,237,760		169,855,975
Renovation Reserve	13		166,855,975		
Other Reserve					17,388,994
			231,075,422		232,795,411

Approved by the Board on 20 th December 2004

Chairman

General Manager

The notes on pages 35 to 46 form part of these Accounts.



**INCOME AND EXPENDITURE STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2003**

	NOTES	2003 Rs	2002 Rs
Income	14	71,959,588	78,008,476
Operating Expenditure	15	(83,844,406)	(56,835,291)
Operating Loss		(11,884,818)	21,173,185
Loss on Exchange		(2,776,273)	(4,085,145)
Other Income	16	19,304,475	26,847,587
Net Surplus /(Loss) for the period before Prior Year Adjustment		4,643,384	43,935,627
Prior Year Adjustment	17	205,382	73,247
Net Surplus/(Loss) for the period after Prior Year Adjustment		4,848,766	43,862,380
Trading Equalisation Reserve brought forward		169,855,975	125,993,595
Renovation Reserve		(149,466,981)	
Flood & Drought Relief Fund		(3,000,000)	
Trading Equalisation Reserve carried forward		22,237,760	169,855,975





**CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2003**

	2003		2002	
	RS	RS	RS	RS
CASH FLOWS FROM OPERATING ACTIVITIES				
Net Surplus / (Loss)	4,848,766		43,862,380	
Adjustments for :				
Depreciation	24,109,160		8,419,531	
Over Depreciation				
Grant amortised	(3,841,000)		(3,841,000)	
Foreign Exchange Loss	2,776,273		4,085,145	
Interest Income	(7,015,055)		(13,167,181)	
Interest Expense	1,810,006		1,679,718	
Loss/(Profit)on sales of fixed assets	661,974		(1,045)	
Operating Surplus/(Deficit) Before Working Capital Changes	23,350,124		41,037,548	
(Increase)/Decrease in Trade & Other Receivables	57,511,425		(59,181,809)	
(Increase)/Decrease in Stock	(10,238,176)		18,026,969	
Increase / (Decrease) in Trade & Other Payables	28,009,638		(6,756,975)	
Cash Inflow / (Outflow) from Operations	98,633,011		(6,874,267)	
Interest paid	(1,989,763)		(1,690,245)	
NET CASH INFLOW / (OUTFLOW) FROM OPERATING ACTIVITIES		96,643,248		(8,564,512)
Cash flow from Investing Activities :				
Purchase of Fixed Assets	(193,804,044)		(4,505,976)	
Over Capitalisation			(207,385)	
Sinking Fund Investment	(207,385)		2,600	
Proceeds from sale of fixed assets	31,049		12,858,233	
Interest Received	6,866,965			
Net Cash used in Investing Activities		(187,113,415)		8,147,472
Cash Flow from financing activities :				
Payment on Government Loan		(1,465,834)		(1,282,598)
Net Decrease in cash & cash equivalent		(91,936,001)		(1,699,638)
Cash & Cash Equivalent at Beginning of Period		90,631,302		92,330,940
Cash & Cash Equivalent At End of Period		(1,304,699)		90,631,302



VALUE ADDED STATEMENT

	2003		2002	
	Rs (000)	%	Rs (000)	%
VALUE CREATED				
Income	393,764		379,072	
Less Bought in Materials & services	338,894		273,700	
	54,870	100	105,372	100
Value Distributed				
To Remunerate Employees for their services	32,003	58	29,007	28
To Providers of Finance	1,810	3	1,680	2
	33,813	62	30,687	29
Value Retained/(Deficit)				
To maintain and Develop Operations	21,057	38	74,685	71
	54,870	100	105,372	100



**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE ENDED 31 DECEMBER 2003**

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:

	2003
	%
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
Water Proofing	10.0





NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2003

NOTE 3 : FIXED ASSETS AS AT 31 DECEMBER 2003

	Building	Plant & Machinery	Stores Equipment & Palletisation	Motor Vehicles	Motor Car	Tractor & Trailers	Office Equipment	Furniture & Fittings	Computer Equipment	Waterproofing	TOTAL
	Rs	Rs	Rs	Rs	Rs	Rs	Rs	Rs	Rs	Rs	Rs
COST											
As at 1 January 2003	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
Additions	45,299,665	146,103,574	128,461	866,127	853,352		145,729	74,991	332,146	-	193,804,044
Disposal	(1,682,330)	(23,712,201)	0	(335,200)	0	(233,062)	(2,300)	0	(28,836)	-	(25,993,929)
As at 31 December 2003	101,035,756	181,499,875	28,437,309	3,804,989	3,751,751	0	2,667,222	405,948	3,461,578	2,777,970	327,842,398
PROVISION FOR DEPN.											
As at 1 January 2003	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	75,989,606
Disposal	(603,818)	(23,712,200)	0	(335,199)	0	(233,061)	(13,518)	0	(11,534)	-	(24,909,330)
Charge for the period	2,020,715	18,017,357	2,388,991	246,662	399,299	-	166,563	40,595	551,181	277,797	24,109,160
As at 31 December 2003	17,032,498	29,564,658	18,620,980	2,404,481	1,976,521	0	1,978,044	133,654	2,367,411	1,111,188	75,189,436
NET BOOK VALUE											
As at 31 December 2003	84,003,258	151,935,218	9,816,330	1,400,508	1,775,230	0	689,178	272,293	1,094,168	1,666,783	252,652,962
As at 31 December 2002	41,802,820	23,849,002	12,076,860	781,044	1,321,177	1	698,794	237,897	1,330,505	1,944,580	84,042,676



**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2003**

4. Specific Fund 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 Saving Account. This Fund amounted to Rs 1,797,161 as at 31 December 2004 and Rs 1,575,687 as at 31 December 2003.

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 40,578,583 as at 31 December 2003 and Rs 34,218,465 as at 31 December 2002. 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

	2003 Rs	2002 Rs
Agricultural products	53106678	42635259
Spare parts, stationery, plastic sheets & leno bags	5178237	5411480
	58284915	48046739
Stocks are valued at lower of cost and net realisable value		



**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2003**

7. Trade & other Receivables	2003 Rs	2002 Rs
Trade receivables	7,802,560	5,522,349
Loan to Employees	2,637,188	2,306,449
Interest Receivable	2,708,601	4,179,771
Prepayments	997,642	62,357,448
	14,145,991	74,366,017
8. Cash & Bank Balances	2003 Rs	2002 Rs
Cash in hand	1,512,336	181,618
Cash at Bank	2,408	287,726
	1,514,744	469,344
9. Trade & other Payables	2003 Rs	2002 Rs
<i>Amount falling due within one year</i>		
Trade payables	10,996,884	12,719,250
Other payables	257,996	695,672
Deposit on Seeds & Others	6,583,116	1,488,598
Loan payable within 1 year	1,505,638	1,383,196
Accruals	31,211,932	6,314,828
	50,555,566	22,601,544
<i>Amount falling due after more than one year</i>		
Provision for passage benefit	1,754,356	1,518,983
	52,309,922	24,120,527





**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2003**

10. Loans	2003		2002	
	EURO	Rs	EURO	Rs
In Respect of:				
Buildings- Note (a)	-	20,738,538	-	20,738,538
Onion & seed Stores- Note (b)	985,598	33,123,964	1,030,397	31,813,522
	985,598	53,862,502	1,030,397	52,552,060
Loan payable within 1 year	44,800	1,505,634	44,800	1,383,196
Loan payable within 2-5 years	179,200	6,022,537	179,200	5,532,785
Loan payable within 6-10 years	223,999	7,528,172	223,999	6,915,982
Loan payable more than 10 years	537,599	38,806,159	582,398	38,720,097
Long Terms Loans	940,798	52,356,868	985,597	51,168,865
Rate EURO/Rs.	33.61		30.875	

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.

12. Trading Equalisation reserve	2003 Rs	2002 Rs
Trading Equalisation Reserve brought forward	169,855,975	125,993,595
Transfer to Renovation Reserve	(149,466,981)	-
Transfer to Flood / Drought Relief Fund	(3,000,000)	-
Net loss for the period	4,848,766	43,862,380
Trading Equalisation Reserve carried forward	22,237,760	169,855,975





**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2003**

13. Renovation Reserve					RS
	Transfer from Trading Equalisation Reserve				
Transfer from Other Reserves					17,388,994
					166,855,975
14. Income	2003		2002		
	Rs	Rs	Rs	Rs	
Sales		374,591,350		352,223,949	
Less: Cost of Sales					
Opening Stock	42,635,259		60,857,225		
Purchases	313,103,181		255,993,506		
Closing Stock	(53,106,678)		(42,635,259)		
		71,959,588		78,008,477	





**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2003**

15. Operating Expenditure	2003	2002
	Rs	Rs
Storage Costs (Appendix 1)	43,519,257	34,599,422
Administrative expenses (Appendix 2)	12,043,827	10,947,291
Depreciation (Note 3)	24,109,160	8,442,204
Financial charges (Appendix 3)	1,810,006	1,679,718
Rent Payable Freeport	2,362,156	1,166,656
	83,844,406	56,835,291
16. Other Income	2003	2002
	Rs	Rs
Cess Received	532,261	443,704
Storage Rent Receivable	7,926,722	8,975,537
Sundry Income	3,830,437	4,261,165
Interest Receivable (Appendix 5)	7,015,055	13,167,181
	19,304,475	26,847,587
	2003	2002
	Rs	Rs
17. Prior Period Adjustment		
The Prior Period Adjustment consists of:		
Overdepreciation	(22,077)	(22,673)
Payment Onion Seed Veronique	(100,000)	95,920
Rebate on Seed Potato Crop 2002	63,954	-
Consultancy fee	(54,000)	-
Refund on Duty for Imports 2002	(93,259)	-
	(205,382)	-
		73,247





**APPENDIX 1 :STORAGE COSTS
FOR THE YEAR ENDED 31 DECEMBER 2003**

ITEMS	2003	2002
	Rs	Rs
Salaries & Wages, Overtime & Allowances	23,418,791	21,474,441
Water & Electricity	16,741,788	8,618,716
Repairs & Maintenance & Insurance	2,272,595	3,733,757
General Expenses - Store	633,939	359,004
Provision for Leave Passages	452,144	413,503
	43,519,257	34,599,422

**APPENDIX 2 :ADMINISTRATIVE EXPENSES
FOR THE YEAR ENDED 31 DECEMBER 2003**

ITEMS	2003	2002
	Rs	Rs
Salaries & Allowances	7,944,466	6,964,491
Overseas travelling	179,053	311,092
Motor vehicle running expenses	825,696	667,416
Printing & Stationery,Advertising,Postage & Telephone	1,564,337	1,085,512
Legal & Professional	170,892	167,135
Audit fee	60,000	60,000
General expenses	773,013	626,107
Board members fees	321,909	397,050
Rent of Leasehold land	16,620	14,356
Provision for leave passages	187,841	154,132
Increase in Provision for Bad Debts		500,000



APPENDICES FOR THE YEAR ENDED 31 DECEMBER 2003

3. Financial Charges	2003 Rs.	2002 Rs.
Interest on long term loan from Government of Mauritius and EDF	1,164,592	1,137,635
Interest on bank overdraft	645,414	542,084
	1,810,006	1,679,719
4. Foreign Currencies		
<p>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 5,010,442 was debited (compared to a loss of Rs 2,776,272 in 2003) to the Income and Expenditure Account.</p>		
5. Interest	2003 Rs.	2002 Rs.
Interest received on credit sales	255,727	94,195
Interest on Sinking Fund Investment	485,342	452,351
Interest on Deposit Account	6,273,986	12,620,635
	7,015,055	13,167,181





FIVE YEARS SUMMARY

	2003 Rs000	2002 Rs000	2001 Rs000	2000 Rs000	1999 Rs000
A. Income and Expenditure					
Income	71,960	78,008	81,416	68,786	55,821
Other Income	19,304	26,848	23,854	18,645	14,044
	91,264	104,856	105,270	87,431	69,865
Grant	3,841	3,841	3,841	3,932	622
Subsidy	0	0	0	0	10,786
Operating surplus / (Deficit)	(11,885)	21,173	27,819	21,000	25,529
Net surplus	4,849	43,862	50,970	39,031	41,496
B. Balance Sheet					
Fixed Assets	252,653	84,043	87,958	88,484	27,662
Investment	10,387	9,695	9,035	8,407	7,809
Net Current Assets	20,392	190,227	144,212	97,877	68,770
Long-term loans	52,357	51,169	48,541	49,159	49,638
Trading Equalisation Reserves	22,238	169,866	125,994	75,023	35,993
Capital Grant	40,406	44,247	48,088	52,287	449
C. Cash flow Statement					
Cash generated from operations	98,633	(6,874)	25,438	48,239	55,133
Capital Expenditure	193,804	4,713	7,725	12,478	2,513
Loan repaid	1,466	1,283	1,165	1,065	1,200
	%	%	%	%	%
	(3.2)	6.0	8.4	6.8	6.0
	2.1	18.8	26.5	26.8	76.0
	1.9	52.2	57.9	44.1	150.0
D. Financial Indicators					
Operating Surplus Margin					
Return on Net Assets					
Return on Fixed Assets					
	186	178	185	178	171
Average number of employees	295	429	335	304	259
Value Added per employee	1.71	2.63	2.0	2.0	2.0
Ratio of value added to employment cost	0.35	0.28	0.3	0.4	0.4
Ratio of employment cost to total income					
E. Productivity and Employee Data					



SEED POTATO & OTHER SEED
Seed for Ware Production
Seed for Seed Production
Other Seeds

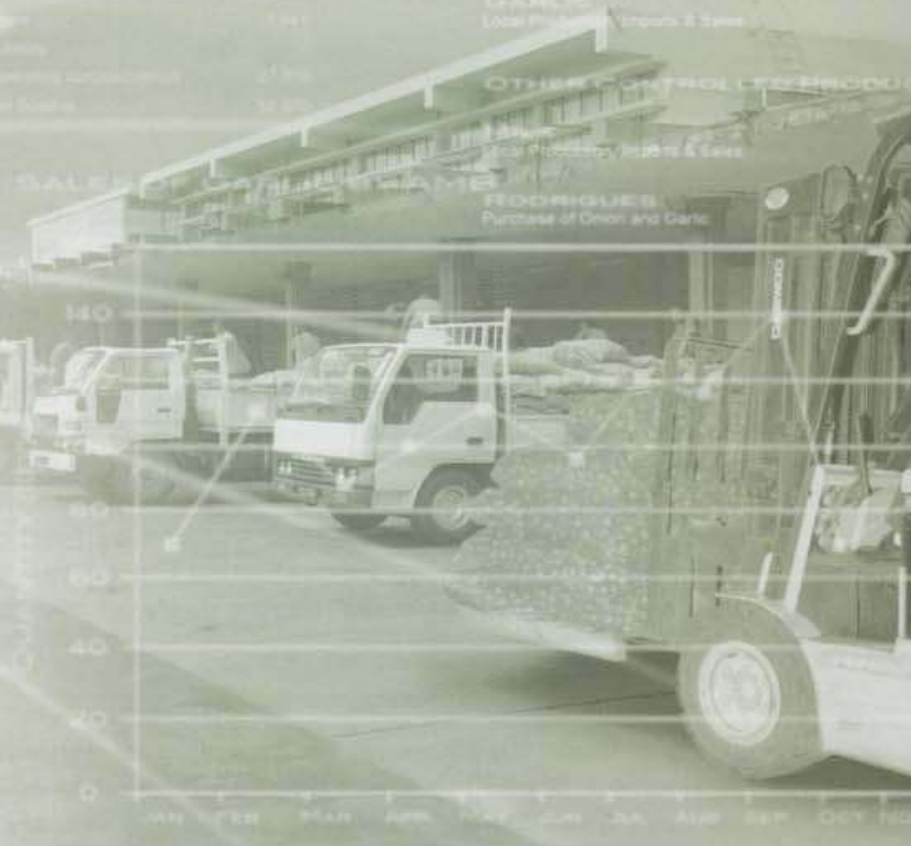
TABLE POTATO
Local Production
Imports
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Sales

ONION
Local Production
Imports
Prices
Sales

GARLIC
Local Production
Imports & Sales

OTHER CONTROLLED PRODUCT
Local Production, Imports & Sales

FEDERIGUES
Purchase of Onion and Garlic



FINANCIAL STATEMENTS

AS AT 31 DECEMBER 2004

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 2004, 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 from 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 financial position of the Agricultural Marketing Board as of 31 December 2004, and of the results of its operations and its cash flows for the year then ended and comply with the Statutory Bodies (Accounts and Audit) Act, 1972.

(R. JUGURNATH)
Director of Audit

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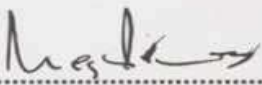
7 September 2005



BALANCE SHEET AS AT 31 DECEMBER 2004

	Notes	2004		2003	
		Rs	Rs	Rs	Rs
FIXED ASSETS	3		236,678,992		252,652,962
INVESTMENTS (Sinking Fund)	4		11,114,766		10,387,355
CURRENT ASSETS					
Stock	6	67,634,066		58,284,915	
Trade and other receivables	7	9,192,628		14,145,991	
Investments		110,180		40,043,255	
Cash and bank balances	8	437,856		1,514,744	
Medical Assistance Fund Savings Account	4	1,797,161		1,575,687	
		<u>79,171,891</u>		<u>115,564,592</u>	
CURRENT LIABILITIES					
Trade and other payables	9	29,353,983		52,309,922	
Bank Overdrafts		41,287,470		42,862,697	
		<u>70,641,453</u>		<u>95,172,619</u>	
NET CURRENT ASSETS			8,530,438		20,391,973
TOTAL ASSETS LESS CURRENT LIABILITIES			256,324,196		283,432,290
LONG -TERM LIABILITIES	10		55,551,639		52,356,868
NET ASSETS			<u>200,772,557</u>		<u>231,075,422</u>
FINANCED BY CAPITAL & RESERVES					
Capital Grant	11		36,565,000		40,406,000
Medical Assistance Fund			1,797,161		1,575,687
Trading Equalisation Reserve	12		(4,445,579)		22,237,760
Renovation Reserve	13		166,855,975		166,855,975
			<u>200,772,557</u>		<u>231,075,422</u>

Approved by the Board on 31 th August 2005

Chairman 

General Manager 

The notes on pages 50 to 62 form part of these Accounts.



INCOME AND EXPENDITURE STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2004

	Notes	2004 Rs		2003 Rs
Income	14	59,289,869		71,959,588
Operating Expenditure	15	(96,022,756)		(83,844,406)
Operating Loss		(36,732,887)		(11,884,818)
Loss on Exchange		(5,010,442)		(2,776,273)
Other Income	16	15,059,990		19,304,475
Net Surplus /(Loss) for the period before Prior Year Adjustment		(26,683,339)		46,433,84
Prior Year Adjustment	17			205,382
Net Surplus/(Loss) for the period after Prior Year Adjustment		(26,683,339)		4,848,766
Trading Equalisation Reserve brought forward		22,237,760		169,855,975
Renovation Reserve		0		(149,466,981)
Flood & Drought Relief Fund		0	0	(3,000,000)
Trading Equalisation Reserve carried forward		(4,445,579)		22,237,760



CASH FLOW STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2004

	2004		2003	
	RS	RS	RS	RS
CASH FLOWS FROM OPERATING ACTIVITIES				
Net Surplus / (Loss)	(26,683,339)		4,848,766	
Adjustments for :				
Depreciation	24,786,010		24,109,160	
Over Depreciation	(17,231)			
Grant amortised	(3,841,000)		(3,841,000)	
Foreign Exchange Loss	5,010,442		2,776,273	
Interest Income	(1,504,060)		(7,015,055)	
Interest Expense	2,234,519		1,810,006	
Loss/(Profit)on sales of fixed assets	(169,564)		661,974	
Operating Surplus/(Deficit) Before Working Capital Changes	(184,223)		23,350,124	
(Increase)/Decrease in Trade & Other Receivables	2,244,762		57,511,425	
(Increase)/Decrease in Stock	(9,349,150)		(10,238,176)	
Increase / (Decrease) in Trade & Other Payables	(22,958,367)		28,009,638	
Cash Inflow / (Outflow) from Operations	(30,246,978)		98,633,011	
Interest paid	(2,232,091)		(1,989,763)	
NET CASH INFLOW / (OUTFLOW) FROM OPERATING ACTIVITIES		(32,479,069)		96,643,248
Cash flow from Investing Activities :				
Purchase of Fixed Assets	(9,023,312)		(193,804,044)	
Over Capitalisation	222,117			
Sinking Fund Investment	(207,385)		(207,385)	
Proceeds from sale of fixed assets	175,950		31,049	
Interest Received	3,692,633		6,866,965	
Net Cash used in Investing Activities		(5,139,997)		-187,113,415
Cash Flow from financing activities :				
Payment on Government Loan		(1,815,669)		(1,465,834)
Net Decrease in cash & cash equivalent		(39,434,735)		(91,936,001)
Cash & Cash Equivalent at Beginning of Period		(1,304,699)		90,631,302
Cash & Cash Equivalent At End of Period		(40,739,434)		(1,304,699)





VALUE ADDED STATEMENT

	2004		2003	
	Rs (000)	%	Rs (000)	%
VALUE CREATED				
Income	392,900		393,764	
Less Bought in Materials & services	358,633		338,894	
	34,267	100	54,870	100
Value Distributed				
To Remunerate Employees for their services	35,600	104	32,003	58
To Providers of Finance	2,235	7	1,810	3
	37,834	110	33,813	62
Value Retained/(Deficit)				
To maintain and Develop Operations	(3,567)	(10)	21,057	38
	34,267	100	54,870	100



NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2004

1. Principal Activities

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

	2004 %
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
Water Proofing	10.0





**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2004
NOTE 3 : FIXED ASSETS AS AT 31 DECEMBER 2004**

	Building	Plant & Machinery	Stores Equipment & Palletisation	Motor Vehicles	Motor Car	Office Equipment	Furniture & Fittings	Computer Equipment	Waterproofing	TOTAL
	Rs	Rs	Rs	Rs	Rs	Rs	Rs	Rs	Rs	Rs
COST										
As at 1 January 2004	101,035,756	181,499,875	28,437,309	3,804,989	3,751,751	2,667,222	405,948	3,461,578	2,777,970	327,842,397
Additions	5,6120		2,769,116	5,855,108	(1,086,509)	29,990	71,320	241,659		9,023,312
Disposal	(137,933)	(84,184)	(845,460)			(7,300)				(1,939,269)
Over Capitalisation										(222,117)
As at 31 December 2004	100,953,943	181,415,691	30,360,965	9,660,097	2,665,242	2,689,911	477,267	3,703,237	2,777,970	334,704,323
PROVISION FOR DEPN.										
As at 1 January 2004	17,032,498	29,564,658	18,620,980	2,404,481	1,976,521	1,978,044	133,654	2,367,411	1,111,188	75,189,435
Disposal	(2,759)	(8,418)	(845,460)		(1,086,511)	(913)		(5,767)		(1,932,883)
(Over) / Under Depreciation Charge for the period	2,019,079	18,008,939	2,679,217	832,173	312,378	159,565	47,727	449,135	2,777,797	(17,231)
As at 31 December 2004	19,048,818	47,565,179	20,454,737	3,236,6534	1,202,389	2,136,410	181,381	2,810,780	1,388,985	98,025,331
NET BOOK VALUE										
As at 31 December 2004	81,905,125	133,850,512	9,906,228	6,423,443	1,462,853	553,502	295,886	892,457	1,388,985	236,678,992
As at 31 December 2003	84,003,258	151,935,218	9,816,330	1,400,508	1,775,230	689,178	272,293	1,094,168	1,666,793	252,652,962



**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2004**

4. Specific Fund 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 Saving Account. This Fund amounted to **Rs 1,797,161** as at 31 December 2004 and **Rs 1,575,687** as at 31 December 2003.

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 47,090,324** as at 31 December 2004 and **Rs 40,578,583** as at 31 December 2003.

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

	2004 Rs	2003 Rs
Agricultural products	59,794,265	53,106,678
Spare parts, stationery, plastic sheets & leno bags	7,839,801	5,178,237
	67,634,066	58,284,915
Stocks are valued at lower of cost and net realisable value		



**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2004**

7. Trade & other Receivables	2004 Rs	2003 Rs
Trade receivables	6,339,454	7,802,560
Loan to Employees	1,946,224	2,637,188
Interest Receivable	0	2,708,601
Prepayments	906,950	997,642
	9,192,628	14,145,991
	2004 Rs	2003 Rs
8. Cash & Bank Balances		
Cash in hand	131,471	1,512,336
Cash at Bank	306,385	2,408
	437,856	1,514,744
	2004 Rs	2003 Rs
9. Trade & other Payables		
<i>Amount falling due within one year</i>		
Trade payables	11,776,575	10,996,884
Other payables	67,303	257,996
Deposit on Seeds & Others	966,969	6,583,116
Loan payable within 1 year	1,740,655	1,505,638
Accruals	12,787,924	31,211,932
	27,339,426	50,555,566
<i>Amount falling due after more than one year</i>		
Provision for passage benefit	2,014,557	1,754,356
	29,353,983	52,309,922



**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2004**

10. Loans	2004		2003	
	EURO	Rs	EURO	Rs
In Respect of : Buildings- Note (a)	-	20,738,538	-	20,738,538
Onion & seed Stores- Note (b)	940,798	36,553,756	985,598	33,123,964
	940,798	57,292,294	985,598	53,862,502
Loan payable within 1 year	44,800	1,740,655	44,800	1,505,634
Loan payable within 2-5 years	179,200	6,962,618	179,200	6,022,537
Loan payable within 6-10 years	223,999	8,703,273	223,999	7,528,172
Loan payable more than 10 years	492,799	39,885,748	537,599	38,806,159
Long Terms Loans	895,998	55,551,639	940,798	52,356,868
Rate EURO/Rs.	38.85		33.61	

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.

12. Trading Equalisation reserve	2004 Rs	2003 Rs
Trading Equalisation Reserve brought forward	22,237,760.00	169,855,975.00
Transfer to Renovation Reserve	0.00	(149,466,981.00)
Transfer to Flood / Drought Relief Fund	0.00	(3,000,000.00)
Net loss for the period	(26,683,339.00)	4,848,766.00
Trading Equalisation Reserve carried forward	(4,445,579.00)	22,237,760.00





**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2004**

13. Renovation Reserve			Rs	
	Transfer from Trading Equalisation Reserve			
Transfer from Other Reserves				17,388,994
				166,855,975
14. Income	2004		2003	
	Rs	Rs	Rs	Rs
Sales		377,840,184		374,591,350
Less: Cost of Sales				
Opening Stock	53,106,678		42,635,259	
Purchases	325,237,902		313,103,181	
Closing Stock	(59,794,265)		(53,106,678)	
		318,550,315		302,631,762
		59,289,869		71,959,588





**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2004**

15. Operating Expenditure	2004 Rs	2003 Rs
Storage Costs (Appendix 1)	55,018,022	43,519,257
Administrative expenses (Appendix 2)	13,984,205	12,043,827
Depreciation (Note 3)	24,786,010	24,109,160
Financial charges (Appendix 3)	2,234,519	1,810,006
Rent Payable Freeport	0	2,362,156
	96,022,756	83,844,406
16. Other Income	2004 Rs	2003 Rs
Cess Received	657,355	532,261
Storage Rent Receivable	7,577,185	7,926,722
Sundry Income	5,321,390	3,830,437
Interest Receivable (Appendix 5)	1,504,060	7,015,055
	15,059,990	19,304,475
17. Prior Period Adjustment	2004 Rs	2003 Rs
<i>The Prior Period Adjustment consists of:</i>		
Overdepreciation		(22,077)
Payment Onion Seed Veronique		(100,000)
Rebate on Seed Potato Crop 2002		63,954
Consultancy fee		(54,000)
Refund on Duty for Imports 2002		(93,259)
	0	(205,382)





**APPENDIX 1 : STORAGE COSTS
FOR THE YEAR ENDED 31 DECEMBER 2004**

ITEMS	2004	2003
	Rs	Rs
Salaries & Wages, Overtime & Allowances	25,417,031	23,418,791
Water & Electricity	25,493,604	16,741,788
Repairs & Maintenance & Insurance	3,090,388	2,272,595
General Expenses - Store	517,312	633,939
Provision for Leave Passages	499,687	452,144
	55,018,022	43,519,257

**APPENDIX 2 : ADMINISTRATIVE EXPENSES
FOR THE YEAR ENDED 31 DECEMBER 2004**

ITEMS	2004	2003
	Rs	Rs
Salaries & Allowances	9,465,373	7,944,466
Overseas travelling	375,741	179,053
Motor vehicle running expenses	1,089,184	825,696
Printing & Stationery, Advertising, Postage & Telephone	1,483,099	1,564,337
Legal & Professional	221,100	170,892
Audit fee	60,000	60,000
General expenses	771,836	773,013
Board members fees	283,395	321,909
Rent of Leasehold land	16,620	16,620
Provision for leave passages	217,857	187,841
Increase in Provision for Bad Debts	0	
	13,984,205	12,043,827



APPENDICES FOR THE YEAR ENDED 31 DECEMBER 2004

3. Financial Charges	2004 Rs.	2003 Rs.
Interest on long term loan from Government of Mauritius and EDF	1,177,707	1,164,592
Interest on bank overdraft	1,056,812	645,414
	2,234,519	1,810,006
4. Foreign Currencies		
<p>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 5,010,442 was debited (compared to a loss of Rs 2,776,272 in 2003) to the Income and Expenditure Account.</p>		
5. Interest	2004 Rs.	2003 Rs.
Interest received on credit sales	173,504	255,727
Interest on Sinking Fund Investment	520,027	485,342
Interest on Deposit Account	810,529	6,273,986
	1,504,060	7,015,055



FIVE YEARS SUMMARY

	2004 Rs000	2003 Rs000	2002 Rs000	2001 Rs000	2000 Rs000
A. Income and Expenditure					
Income	59,290	71,960	78,008	81,416	68,786
Other Income	15,060	19,304	26,848	23,854	18,645
	74,350	91,263	104,856	105,270	87,431
Grant	3,841	3,841	3,841	3,841	3,932
Operating surplus / (Deficit)	(36,733)	(11,885)	21,173	27,819	21,000
Net surplus / (Deficit)	(26,683)	4,849	43,862	50,970	39,031
B. Balance Sheet					
Fixed Assets	236,679	252,653	84,043	87,958	88,484
Investment	11,115	10,387	9,695	9,035	8,407
Net Current Assets	8,530	20,392	190,227	144,212	97,877
Long-term loans	55,552	52,357	51,169	48,541	49,159
Trading Equalisation Reserves	(4,446)	22,238	169,856	125,994	75,023
Capital Grant	36,565	40,406	44,247	48,088	52,287
C. Cash flow Statement					
Cash inflow / (outflow) from operations	(30,247)	98,633	(6,874)	25,438	48,239
Capital Expenditure	9,023	193,804	4,713	7,725	12,478
Loan repaid	1,816	1,466	1,283	1,165	1,065
	%	%	%	%	%
	(9.7)	(3.2)	6.0	8.4	6.8
	(13.3)	2.1	18.8	26.5	26.8
	(11.3)	1.9	52.2	57.9	44.1
D. Financial Indicators					
Operating Surplus/(Loss) Margin					
Return on Net Assets					
Return on Fixed Assets					
E. Productivity and Employee Data					
Average number of employees	184.00	186.00	178.00	185.00	178.00
Value Added per employee	186.00	295.00	429.00	335.00	304.00
Ratio of value added to employment cost	0.96	1.71	2.63	2.0	2.0
Ratio of employment cost to total income	0.48	0.35	0.28	0.3	0.4



amb
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