Food and Agricultural Research and Extension Institute



Annual Report 2016/2017

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Chairperson's Statement

I have the honour to submit the Annual Report of the Food and Agricultural Research and Extension Institute (FAREI) over the period 01 January 2016 to 30 June 2017 in accordance with the provision of Section 7 (1) and (2) of the Statutory Bodies (Accounts and Audit) Act 10/2017.

emraj Woodun

Chairperson



Chief Executive Officer's Statement

The report covers the research and extension activities for the vegetable crops, fruits and livestock sectors of the FAREI for the period 01 July 2016 to 30 June 2017.

Research activities on the development of new crop varieties were pursued and 29 new crop varieties and four mushroom strains were released for commercial cultivation. To restore the genetic purity of local germplasm of red onion, cauliflower, cucumber and bean a maintenance breeding programme is being carried out.

Emphasis was laid on the expansion of organic agriculture and the Pamplemousses Research Station will be devoted to organic agriculture for the training of growers. Assistance was provided to the setting up an organic zone on an area of 26 ha at Britannia.

Other research areas were development of efficient irrigation and fertilization, integrated pest and disease management strategies, processing of agricultural products including vegetables, fruits and milk.

The year under review was marked by the incidence of the Foot and Mouth Disease which caused a severe drop in livestock activities. Biosecurity measures were reinforced on FAREI livestock research stations. Research and development activities pertaining to animal nutrition, fodder production, conservation and utilisation of farm animal genetic resources, livestock waste management, greenhouse gas emission from livestock activities and pig value chain analysis were pursued.

Training and advisory services were provided to farmers through field visits, formal training, liaison meetings, on-farm demonstrations and trials, publications, SMS alerts, and radio and TV programmes.

Seelavarn Ganeshan Chief Executive Officer

Section 1: Vision, Mission and Objectives

VISION

To help steer and promote the sustainable development of the National Agrifood System through the efficient and effective application of Research, Development and Training (RDT)

MISSION

To support and implement priority RDT programmes and projects and appropriate technologies for food security and to enhance competitiveness, sustainability and stakeholder equity across the agri-food value chains

OBJECTIVES

- a. Introduce, develop and promote such technologies in the food and nonsugar agricultural sector within a sustainable framework;
- b. Co-ordinate, promote, and harmonise research activities in the non-sugar agricultural, food production and forestry sectors;
- c. Promote and encourage agricultural and agri-business development through the setting up of agricultural youth clubs and agricultural women and agricultural entrepreneur clubs; and
- d. Promote dissemination and practical application of the results.

STRATEGY

The Institute's approach is to implement strategic and adaptive research in a participatory framework with stakeholders in response to national requirements to improve farm productivity and income. Integrating ICT potential, the FAREI also seeks to ensure that there is a rapid transfer of innovative practices developed into relevant production systems for the benefit of growers, consumers and the environment.

SERVICES PROVIDED

- Evaluation of agricultural inputs
- Training of farmers in production practices and agro processing
- Advisory service
- Pest and disease diagnostics
- SMS disease alert
- Seed treatment facility (Hot water treatment)
- Interface between the farming community and service providers
- Information dissemination
- Facilitating access to incentive schemes and inputs and animals
- Agro-Processing Resource Center for product development
- Agricultural Production and Information System (APMIS)

LINKAGES

The FAREI works closely with both public and private sector organisations as well as international research and development institutions for the common goal of optimising its strategic role. Linkages and participatory collaboration with stakeholders and farmer associations in the elaboration of our research and development agenda are also of high priority.



Section 2: Organisational Structure

The FAREI came into operation on 14 February 2014 by virtue of section 24 of the FAREI Act 2013, further to the repeal of the Food and Agricultural Research Council Act 1985. It operates under the aegis of the Ministry of Agro Industry and Food Security (MAIFS).

The FAREI arose out of the merger of the Food and Agricultural Research Council (FARC) and the Agricultural Research and Extension Unit (AREU). It has been established with a view to improving the cost-effectiveness, quality of services and optimal use of human resources in both organisations.

The FAREI is administered by a Board and is managed by a Chief Executive Officer who is also the Accounting Officer and is responsible for the control and management of the day- to - day business. Its management team comprises three Assistant Directors.

The FAREI's research and development programme is conducted by the following departments:

- Crop Research Department Agronomy, Vegetable and Ornamental, Fruit Research, Resource Management, Plant Pathology and Entomology Divisions
- Livestock Department
 Animal Production and Animal Health Divisions
- Extension and Training Department Crop, Livestock and Information and Training Divisions

Crop Research

• Agronomy and Crop Production

Research aims at the establishment of sustainable production systems and the development of improved cropping technologies. The research programme focuses on the development of novel varieties through breeding and biotechnology, optimal resource management and value addition through agro-processing.

• Plant Protection (Plant Pathology and Entomology)

The objective of the programme is to develop and implement integrated pest and disease management systems in food crop production so as to minimise the use of pesticides and ensure safe food.

Livestock Research

Our Research thrusts aim to respond to famers' needs in raising the production and productivity of livestock enterprises by developing improved management practices and techniques, feeding packages using locally available feed resources, the introduction of improved breeds and genetic improvement, the conservation and utilisation of animal genetic resources.

Extension and Training

The Extension and Training Department aims at increasing farmers' knowledge and the skill to improve their productivity and income. This is effected by timely cost-effective technology transfer of innovative practices through a client focus and participatory approach. The Department has a comprehensive network of sub offices, model farms and the Farmer Training School to meet the objectives.

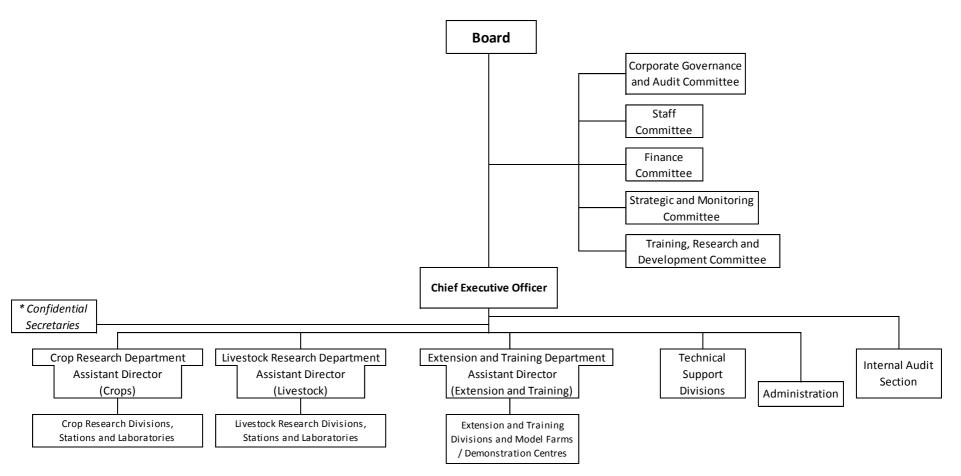
With the growing challenges in agriculture, the thrust is towards professionalising farm activities; promoting value addition activities and agribusiness development.

Support Services

The Biometry and Engineering Divisions; the Economic, Business Development and IT units are cross-cutting entities and work with the various sections to ensure that FAREI's research is problem-oriented and quality-controlled, to develop appropriate technologies in - farm mechanisation, irrigation, protected cultures and agro-processing and to support the provision of agricultural information.

The administration section assists management to achieve government goals and support research and development activities so as to ensure effective management of overall activities and ensure good Corporate Governance.

The main office of business of the FAREI is at Réduit. However, research and development activities as well as services to the agricultural community also take place at the following facilities: Wooton Crop Research Station, Réduit Crop Research Station, Richelieu Crop Research Station, Curepipe Livestock Research Station, Mapou Model Farm, Flacq Model Farm, Plaisance Demonstration Centre, Rivière des Anguilles Demonstration Centre, Pamplemousses Organic Research Station and Belle Mare Centre.



Organigram

* Confidential Secretaries report to the Chief Executive Officer and Assistant Directors

Section 3: Technical Highlights

Crop Research and Development

Introduction

From January 2016 to June 2017, research and development activities at the Food and Agricultural Research and Extension Institute were focussed on the introduction and evaluation of new crop varieties and new agricultural inputs, the development of new crop varieties through breeding programme, crop productivity and quality improvement and crop protection.

Introduction and Evaluation of new crop varieties

Two hundred and forty-nine new vegetable crop varieties were evaluated on-station and onfarm in different agro-climatic regions. One hundred and one varieties were found promising in terms of yield, quality and adaptability and were retained for further evaluation in 2017/2018. Thirty three new varieties were released for commercial cultivation: potato (1), onion (3), pole lima bean (4), snap bean (1), cucumber (3), tomato (3), chilli (4), cauliflower (1), cabbage (2), zucchini (3), squash (2), cassava (2) and 4 strains of *Pleurotus* mushroom.

Breeding

Conventional breeding of onion, potato, tomato, bean and pea was pursued and has reached advanced stages in potato (pre-release stage), bean (pre-release stage) and pea (F9 generation). The local potato clone 14-2, emanating from a breeding programme initiated in 2002 was found promising in terms of yield, tuber characteristics and tolerance to leaf blight disease. A seed multiplication scheme has been initiated to produce elite planting materials. Thirty kilograms of disease free mini-tubers were produced and they were used to produce 105 kg of basic seeds.

Mutation breeding is being carried out for leaf blight tolerance in taro, heat tolerance in tomato, tolerance to pink root rot in onion and for tolerance to blackrot as well as extension of growing season for cauliflower.

Maintenance breeding programme is being implemented for onion local red, bean long tom, local cauliflower and local cucumber. The aim is to restore the genetic purity of these varieties.

Bio-farming

New bio-fertilisers, bio-pesticides and bio-fungicides were tested for their efficacy. Ten bio-fertilisers, 12 bio-pesticides and 8 bio-fungicides were found effective and recommended for use in bio-farming.

An organic research station at Pamplemousses was launched for training of farmers in organic production and a dedicated organic zone was set up at Britannia (65 arpents).

A protocol for natural fruit production was developed and demonstrated. Bio-pesticide application schedule was developed for crop production in greenhouses.

Fertiliser packages have been developed for beans, cabbage, carrots, Chinese cabbage, okra, turmeric, ginger, radish, cucumber and pineapple.

Biotechnology

• Potato

The protocol for rapid in-vitro propagation of potato using single nodal cuttings was optimised. The technique for mini-tuber production in nursery was optimised. 38 kg of mini-tubers were produced.

• Anthurium

Zygotic embryos of six anthurium lines were successfully initiated. A total of 1,564 hardened plants were supplied for further research.

• Protocol development

The protocols for in-vitro propagation and acclimatisation of pomegranate, calliandra, orchids and miniature rose were developed.

• Supply of plants

A total of 34,888 plants (26,087 banana, 441 breadfruit and 8,360 ornamental and medicinal plants) were sold for period January 2016 to June 2017.

Irrigation and fertigation technologies

Optimum fertigation regimes with reduced mineral fertilisers combined with organic inputs were developed for eggplant, garlic and onion under open-field conditions. Concentrated Molasses Stillage (CMS) was found to be a very good substitute for potassic inorganic fertilisers. Optimum fertigation regimes with high fertiliser use efficiencies in French bean, potato, tomato, red cabbage and broccoli were developed under optimal conditions on-station and on-farm.

Seed sector

Active growth inspections were carried out for the production of 800 tonnes of potato seeds by eight seed producers.

20,785 mushroom fruiting bags and 2,839 spawn bags were put on sale to mushroom growers. Under the Quality Declared Seed Scheme 85kg and 9 kg seeds of onion varieties Francia and Bellarose respectively were produced by nine growers.

Development of innovative processed products

• Breadnut

Protocols were developed for the drying of breadnut (Rima) seeds for the production of powder and granules. The powder is suitable for the preparation of mash, for enrichment of wheat flour and for production of nutritious beverages. This shows the potential of an unexploited crop for the local, regional and international markets.

• Moringa

Moringa leaves were processed into dried leaves and powder to be used as supplements for enrichment of soup, flour and as convenience food. Shelf-life of above products is six months.

• Others

Protocols were developed for frozen banana fries, frozen breadfruit and breadnut burgers, frozen jackfruit, carrot flour, beetroot flour, beetroot jam, amla juice and taro leaf chutney. Different blends of breadfruit, cassava and banana flour with wheat flour were developed for a range of products (noodle, bread, pastry).

Integrated Pest and Disease Management

• Management of leafhopper in okra

The leafhopper, *Amrasca biguttula*, is a major pest in okra. As insecticides did not provide effective control of the pest, the impact of the parasitoid *Anagrus flaveolus* releases was assessed. Results showed that *A. flaveolus* is effective in regulating the population of *A. biguttula* and that new releases are not necessary once the parasitoid has established in the field. Synthetic insecticides had a negative impact on *A. flaveolus*.

• Management of blossom midge (Contarinia maculipennis) in eggplant

White, yellow and blue sticky traps were evaluated for their attractiveness to the adult blossom midge *C. maculipennis* in an eggplant field. Results indicated that yellow sticky traps were more efficient followed by white traps.

• Evaluation of Ceratipack trap against the melon fly

The Ceratipack trap was compared to two recommended baits namely, Protein hydrolysate and Success for its attractiveness to the melon fly. Although the Ceratipack trap was renewed at five week intervals compared to weekly intervals for the other two baits, the number of adult fruit flies captured in the Ceratipack trap was higher than that in the other two baited traps. Captures in the Ceratipack trap was female biased.

• Assessment of fruit damage caused by bats in litchi, mango and longane

Fruit damage by bats was assessed on litchi orchards at Calebasses, Beau Songes, Paillotte and in the north and western regions of the island. On mango and longan assessment was carried out in backyards. Litchi fruits were damaged at colour break and the percentage damage was of 33%, 39% and 49% at Calebasses, Beau Songes and Paillotte respectively. In the northern and western regions, it was of 40% and 60% respectively. Mango fruits were damaged at start of ripening stage. The percentage damage varied from 49 to 88% depending on regions. Fruit damage on longan ranged from 83-96%.

• Testing of new products

The efficacy of 33 products (32 bio and 1 chemical) was evaluated for the control of targeted pests. Out of these, 26 were found effective.

Five biological control agents were evaluated and released to benefit the planting community in organic production.

• Promotion of biological control

A total of 40,510 natural enemies comprising 2,650 parasitoids of papaya mealy bug, 37,050 parasitoids of diamondback moth, 810 predators of soft scale on fruit trees were provided to farmers and general public upon request.

• Pest and disease surveillance

- A pest and disease surveillance system has been maintained on major crops around the island
- 1,500 samples of plants were diagnosed and appropriate control measures were recommended

• New pests and disease detected

Two pests namely, the tomato thrips, *Ceratothripoides brunneus* on tomato and *Cibdela janthina* on giant bramble were detected.

A new fungal pathogen was identified on strawberry.

Assistance to farmers

- Technical assistance was given to 31 farmers on irrigation and fertigation technology, sheltered farming and rainwater harvesting
- Two training sessions were imparted on irrigation and fertigation technology
- 402 tonnes of Bellarose and 7.6 tonnes of Francia mother bulbs were selected, cured and stored for use as planting material for year 2017.

Dissemination of research results

Eighteen technology review meetings were conducted to share research findings with Extension Officers and growers

Two trainings on mushroom production and one on propagation of flower were conducted Advice was given to about 300 individuals, who visited the Mushroom Unit, on mushroom production

A public lecture on 'The performance of two promising IITA cassava varieties was recommended for commercial cultivation' on 31 March 2016 at Wooton CRS

A Pulse Field Day was conducted on 28 July 2016 at Réduit CRS. About 300 growers visited the station where they were able to witness all research activities being conducted on pulse crops.

• Scientific publications

Two scientific papers tilted:

- Naojee K. and Unmole L. 2016. Seasonal abundance of tomato thrips, Ceratothripoides brunneus Bagnall on tomato. Oral presentation, University of Mauritius, Research Week 2016.
- 'Opportunities for tomato processing in Mauritius' were presented at the Research Week, University of Mauritius.

The research paper:

- **'Agronomic evaluation study of wheat cultivation in Mauritius**'. Author: Y. Cadersa (FAREI). In: University of Mauritius Research Journal (UoMRJ) (2017), Volume 22

Livestock Research and Development

Introduction

The period 2016 to June 2017 was marked by the outbreak of Foot and Mouth Disease (FMD) which disrupted the livestock activities at farm level. Assistance was provided in the relaunching programme post FMD. Major activities on stations were maintained and pertained to animal nutrition, reproduction, fodder production and conservation, livestock waste management, conservation of farm animal genetic resources and genetic improvement, milk processing and product development, food safety and climate change related activities.

Biosecurity measures were reinforced at the Curepipe Livestock Research Station (CLRS) and Belle Mare Centre. Much emphasis was laid on the implementation of an action plan to improve the infrastructure at CLRS.

Research and Development

• Animal Nutrition

Professor Adegosan Gbola effected an Expert mission within the IAEA funded project "Improving the Productivity of Dairy Cattle through On-Farm Application of Achieved Research Information on Feeding Practices" to discuss project components.

Nutritional studies involved the assessment of cow feed formulation produced from the Livestock Feed Factory (LFF) and lacto feed compared to dairy trial on milk production. Different supplementation regimes on the performance of weaner cattle were evaluated.

The efficiency of Protamin[®], a feed supplement, was assessed on growth performance of goat weaners.

• Fodder Research

Calliandra (*Calliandra calothyrsus*), propagated by tissue-culture was established in full stand at FAREI for biomass production assessment. Study on the biomass yield at three cutting heights was pursued and preliminary results showed that regrowth is best when harvested at 4-5 months interval and a cutting height of 50 cm to meet the browsing behavior of deer. The biomass yield averaged 36.6 tons /ha/year at a planting space of 3m x 3m under rainfed conditions of Curepipe with crude protein content in the range of 19-21% dry matter.

Support was provided to two deer farms in Beau Champ and Bel Ombre for the establishment of Calliandra in ranches for improving nutrition of deer in feedlots ranches.

The benefits of "Jiwamrithra" as zero budget natural farming were assessed on the biomass yield of Guatemala grass. Preliminary results showed that "Jiwamrithra" contribute to soil enrichment in terms of earthworm activity resulting in increased fodder yield.

The database of feed and forages offered to ruminants is being consolidated to include parameters for physical characterisation to substantiate the analytical results.

• Conservation and Utilisation of Farm Animal Genetic Resources

Ex situ monitoring of the productive and reproductive parameters of the creole cattle nucleus, which comprised 51 heads at Curepipe Livestock Research Station, was on-going. The AU-IBAR funded project "Conservation and utilisation of critically endangered Creole Cattle in Mauritius" involved on-farm selection of Creole cattle, however, true to type animals could not be found. Two farms have been identified for setting up *in situ* conservation nuclei.

• Management of imported breeding animals

Performance assessment of the imported animals is on-going and technical advice were given to farmers to optimise performance. However, on-farm monitoring were suspended due to the outbreak FMD for biosecurity reasons. Prior to outbreak of FMD, a total of 51 kiddings and 38 lambings were recorded on-farm giving a total of 84 kids and 44 lambs, respectively, while at FAREI 46 kiddings and 10 lambings were recorded giving a total of 67 kids and 10 lambs, respectively.

• Pig value Chain analysis

A survey was conducted at the level of meat processors and meat shops in view of conducting a value chain analysis for the pig sector. Survey findings identified constraints to the sector and requirements for quality meat production and were presented to pig farmers.

• Livestock waste management

The efficacy of TRU-EM[®] which is a solution of effective microorganisms (EM) was tested on dairy, goat and pig farms and FAREI livestock stations. The EM solution was purchased by the Ministry of Agro Industry and Food Security, in view of mitigating flies and odours as a result of an accumulation of livestock wastes post FMD outbreak on-farm. Meetings, presentations and demonstrations sessions were held with Extension staff for on-farm application and survey of the efficacy of the product.

• Climate Change - Greenhouse Gases Inventory (GHG)

The GHG Emission from livestock activity between 2006 and 2013 was generated using the IPCC software and was reviewed and verified by local consultant. The Third National Communication report was published in October 2016.

• Training in milk processing

Protocols were validated for the preparation of mozzarella and feta cheese as well as kefir. Nine farmers were trained on the preparation of Yogurt, Kefir, Paneer, Fenousse, Rasmalai, Mozzarella and Feta cheese at the Milk Processing Facility at the Curepipe Livestock Research Station.

Extension and Training Department

Introduction

The Extension and Training Department aims at increasing farmer's knowledge and skills through a participatory approach. The core activity of the Extension and Training Department is to provide advisory services, information and training to the farming community and other stakeholders and to promote food production and increase farmers productivity/income.

Crop Extension Activities

A total of 54,422 advisory visits were effected and 24,214 office calls from farmers have been recorded. Moreover, 599 extension activities were organized and attended by 9,691 planters. The department organized 272 group meetings based on 49 themes, 173 field demonstrations on 26 themes and 73 conducted tours on 22 themes. A total of 82 MQA approved training courses was held and was attended by 1,944 trainees. The total foodcrop area harvested for the period was 11,190 ha with a production of 149,446 tons.

• Surveys

Some 54,422 food crop surveys were conducted. 5,389 additional surveys were carried out and were related to (i) State Land occupancy, (ii) pests and diseases, (iii) market price and (iv) impact of adverse climatic conditions. The period witnessed adverse climatic conditions among which continuous heavy rains. Following these events, vegetable production was adversely affected.

• Strategic crops

The potato season 2016 covered a total acreage of 765 ha with a total production of 16,326 T. Total area planted for first season crop 2017 was 155.1 ha.

Total area planted under onion for 2016 was 278 ha with a production of 6,388 tons. Area planted for 2017 was 18.86 ha. Due to adverse climatic conditions, damping off and stemphyllium diseases occurred in onion seedlings in the regions of Belle Mare, Palmar and Trou D'Eau Douce. For both crops, 4,457 advisory visits were carried out along with 12 demonstrations and 16 conducted tours. A total of 58 extension activities were carried out.

• Planters' Liaison Meeting

Eighteen Planters' Liaison meetings were held in each of the four extension regions. Planter representatives of cooperatives, water users' associations, commodity groups, together with other stakeholders of commercial or other services sector participated actively in this forum.

• Model Farms

3,062 planters effected visits on the four regional Model Farms. 74 demonstrations and 25 conducted tours were carried out. Revenue generated by the four model farms was Rs 415, 576.

• Other services to planters

Extension staff collected 139 soil samples and appropriate recommendations were provided after laboratory analysis. 1,664 seed vouchers were given to planters for seed to be purchased at the Agricultural Services. Extension Officers carried out 122 field assessments for crop damage due to herbicide drift. 73 planters were assisted in their request for loan facilities at the Development Bank of Mauritius (DBM). In view of minimizing use of chemicals in disease management, 270 hot water treatments of seeds were effected on model farms.

626 vegetable and fruit samples were purchased at farm gate and forwarded to the Agricultural Chemistry Division of the Agricultural Services for pesticide residue analysis.

Livestock Extension

As at December 2016, the livestock population and corresponding small farmers comprised 4,533 cattle (656 farmers), 26,959 goats (2,523 farmers), 2,845 sheep (245 farmers), 24,161 pigs (466 farmers), 8,190 ducks (298 farmers), 410,360 broilers (253 farmers with up to 5,000 birds), 138,000 layers (188 farmers with up to 5,000 birds) and 1,452 rabbits (135 farmers).

Twenty nine training courses were held with an attendance of 461 breeders. In addition, 134 group trainings, 176 demonstrations and 27 conducted tours were held on livestock technical issues and attended by 2,423 farmers. 11,838 advisory farm visits were carried out and 3,523 office calls for advisory service were entertained.

Support was maintained to the livestock farmers through processing applications for feed (205), molasses (89), bagasse (29), DBM loans (31). Fifteen goat mating service were provided. Effective Microorganisms solution was distributed to 745 farmers for livestock waste management. The Division of Veterinary Services (DVS) of the Agricultural Services was supported for the vaccination of 16,000 cattle and pigs in the context of the foot and mouth disease vaccination programme.

Information and Training

Publications

Thirteen new publications were produced and released on various topics to meet the information needs of agro-entrepreneurs and farmers

- Pulse processing booklet
- Foot and Mouth Disease leaflet
- Farming news Vol 45 No 1/2016
- Farming news Vol 45 No2/2016
- Zero budget natural farming (reprint)
- The Sugar Cane yellow aphid, Sipha flava*
- Les vertus de l'ail local*
- Recommendation Sheet: Short day onion, variety IRATI*
- Recommendation Sheet: Short day onion, variety ROSADA*
- Commercially available biological control agents in plant disease control*
- Soil Solarisation: A non-chemical control method using solar energy*
- Recommended Hot water treatment for seeds of selected crops*
- Farming News Vol 46 No 1/2017

17,945 publications were issued to farmers and stakeholder institutions.

• Agricultural radio and TV programme / public lectures

- 107 radio talks on agricultural production topics were broadcasted weekly on the radio for farmers. This service provides timely information to farmers on crop and livestock production.
- Seventy-two 'Spot Agricole' on various agricultural topics were also broadcasted on the radio programme.

• SMS alerts

- Sixteen alerts were sent by SMS on potential pest and diseases to 4,726 farmers
- Two alerts were sent by SMS to 801 farmers on agricultural schemes.
- As at to-date, 666 farmers are registered to the service

• MauriGAP

Development of the local horticultural quality standards MauriGAP was finalised at the Mauritius Standard Bureau (MSB) and its national sensitization campaign launched on 6 October 2016. The standard establishes basic requirements for sustainable agriculture specifically for crop production, focussing on Good Agricultural Practices for food safety, environmental stewardship and farmer/worker welfare.

• Empowerment of Women and Youth

- Thirty-two Agricultural Youth Clubs with 970 members and 32 Agricultural Women Clubs with 831 members were registered with FAREI for services.
- Ten Agricultural Entrepreneur Clubs (AEC) with 176 members are engaged in commercial farming. Training support and club activities promoted kitchen gardening, roof gardening, crop and fruit production, livestock production, compost making, mushroom production, plant propagation, rain water harvesting and agro-processing. Nine training sessions were run during school holidays for members of the Agricultural Youth Clubs.
- Training in Agro-Processing, Post-Harvest Technology and Food Safety
- Fifteen training sessions on agro-processing techniques were held during the period and attended by 401 potential agro entrepreneurs.
- Seventy-seven agro-entrepreneurs used the facilities of the Agro-Processing Resource Centre at Wooton to test their processing techniques and evaluate their finished products.
- Seventeen conducted tours to the Wooton Agro-Processing Centre were organised with 591 participants.
- Ninety-five agri-business enterprises were advised on product improvement.

Section 4: Corporate Governance Statement

The Food and Agricultural Research and Extension Institute (FAREI) was established as a body corporate under the FAREI Act 2013. It operates under the aegis of the Ministry of Agro Industry and Food Security. The FAREI became operational on 14 February 2014 and its main objectives and functions are spelt out at sections 4 and 5 of the FAREI Act 2013.

Objects of the Institute

The objects of the Institute as spelt out at section 4 of the FAREI Act are:

- 1. To introduce, develop and promote such novel technologies in the food and nonsugar agricultural sector as may be approved by the Minister;
- 2. To coordinate, promote and harmonise research activities in non-sugar agriculture, food production and forestry;
- 3. To promote and encourage agricultural and agri-business development through the setting up of agricultural youth clubs and agricultural entrepreneur clubs; and
- 4. To promote dissemination and practical application of the results of any research undertaken under this Act.

Functions of the Institute

As per section 5 of the FAREI Act 2013, the Institute shall have such functions as are necessary to further its objects most effectively and may, in particular:

- 1. Conduct research in non-sugar agriculture, food production and forestry, and maximize the benefits of such research;
- 2. Conduct extension and advisory activities in non-sugar crops, livestock, food production and agri-business;
- 3. Set research priorities in line with the needs of the food and non-sugar agricultural sector;
- 4. Coordinate, monitor and evaluate research programmes and projects of different institutions engaged in non-sugar agriculture, forestry and food production without any prejudice to existing legislation concerning those institutions;
- 5. Set up and manage research stations, model farms, greenhouses, hydroponic centres and other infrastructure for the purpose of promoting food and non-sugar agricultural technologies;
- 6. Carry out, subject to the approval of the Minister, such other research and related activities in non-sugar agriculture, food production and forestry; and
- 7. Advise the Minister generally on national policies and other matters related to research in non-sugar agriculture, food production and forestry.

Powers of the Institute

As per section 6 of the FAREI Act 2013, the Institute shall have such powers as are necessary to attain its objects and discharge its functions most effectively and may in particular:

- 1. With the approval of the Minister to whom responsibility for the subject of finance is assigned, raise such loan as may be required to finance the setting up of greenhouses, hydroponic centres and other infrastructure;
- 2. Rent out greenhouses, hydroponic centres and other infrastructure on such terms and conditions as it may determine;
- 3. Levy fees in respect of services in connection with greenhouses, hydroponic centres and other infrastructure and of transfer of any other food and non-sugar agricultural technologies;
- 4. Set up research advisory committees;
- 5. Enter into any contract in accordance with the Public Procurement Act;
- 6. Sell or exchange any property;
- 7. Receive grants and donations and raise funds; and
- 8. To do such acts and things as may be necessary for the purposes of this Act.

Our Core Values and Principles

• Professionalism

To demonstrate high level professionalism in our day-to-day initiatives in relation to the business of the Institute and to achieve continuous self-improvement

Commitment

To develop the right attitude towards the job we undertake, to encourage individual initiative and to express our dedication in achieving our objects and functions

• Integrity

To express what we mean, to deliver what we promise and to stand for what is lawful

• Respect

To treat one another with dignity and fairness, appreciating the diversity of our workforce and the uniqueness of each employee

• Trust

To build confidence through open and frank communication

• Honesty

To be truthful in all our endeavors, to be honest and straightforward with one another and with our policy makers, service providers and stakeholders of the agri-food sector

Corporate Profile

This section outlines, inter-alia, the corporate governance structures in place at the FAREI and describes the organization of the Board's business.

The Composition and Role of the Board

Section 7 of the FAREI Act 2013 provides for the Institute to be administered by a Board consisting of:

- A Chairperson to be appointed by the Minister;
- A representative of the Ministry;
- A representative of the Mauritius Chamber of Agriculture;
- A representative of the Mauritius Agricultural Marketing Cooperative Federation;
- A representative of the University of Mauritius; and
- 4 persons with wide experience in food and non-sugar agricultural sector, to be appointed by the Minister.

The composition of the Board of FAREI for the period 01 January 2016 to 31 May 2016 was as follows:

Remarks		Attendance at Board meeting held on 05 May 2016
Chairperson Mr V Gondeea Permanent Secretary Ministry of Agro Industry and Food Security		v
Members		
Nil	Representative of Ministry of Agro Industry and Food Security	X
Mrs Jacqueline Sauzier	Representative of Mauritius Chamber of Agriculture	٧
Mr Kavisheikur Ramsurrun	Representative of Mauritius Agricultural and Marketing Cooperative Federation	X
Prof (Mrs) S Facknath replacing Prof (Mrs) Y Jaufeerally Fakim	Representative of University of Mauritius	٧
Mr Atmanand Luchmun	Appointed by Minister	V
Mr Kreepalloo Sunghoon	Appointed by Minister	V
Mr Gérard Cadet de Fontenay	Appointed by Minister	X
Mr Paul Raya	Appointed by Minister	V
In Attendance		
Mr R Rajcumar	Acting Chief Executive Officer, FAREI	v
Mrs S Auguste	Administrative Manager/ Board Secretary, FAREI	V

Only one meeting of the FAREI Board was held during the period 01 January 2016 to 05 May 2016.

The FAREI Board was thereafter reconstituted for a period of two years from May 2016 to April 2018.

	Remarks
Chairperson	
Mr Hemraj Woodun	
Members	
Mrs N B Payneeandy	Representative of Ministry of Agro Industry and Food
(June 2016 to December 2016)	Security
Mrs I Rugjee	
(January 2017 to June 2017)	
Mrs Jacqueline Sauzier	Representative of Mauritius Chamber of Agriculture
Mr R Kissoonah	Representative of Mauritius Agricultural and Marketing
	Cooperative Federation
Prof (Mrs) S Facknath	Representative of University of Mauritius
Mr S Naidu	Appointed by Minister
Mr M Rughoo	Appointed by Minister
Mr Gérard Cadet de Fontenay	Appointed by Minister
Mr C Lokhun	Appointed by Minister
(June 2016 to December 2016)	
and resigned in December 2016)	
In Attendance	
Mr R Rajcumar	Acting Chief Executive Officer, FAREI

Sub-Committees

Mrs S Auguste

A structure of Board sub-committees has been set up to assist the Board in the discharge of its duties and responsibilities. Each sub-committee operates under defined terms of reference and recommends specific matters to the Board for approval. The sub-committees of the FAREI Board for the period May 2016 to June 2017 were as follows:

Administrative Manager/Board Secretary, FAREI

- 1. Finance Committee (FC);
- 2. Staff Committee (SC);
- 3. Strategic and Monitoring Committee (SMC);
- 4. Audit and Corporate Governance Committee (ACGC); and
- 5. Training, Research and Development Committee (TRDC).

Finance Committee (FC) Composition of the FC and its functions

The composition of the Finance Committee was as follows:

Mrs N B Payneeandy	Chairperson (period June 2016 to December 2016)
Mrs I Rugjee	Chairperson (period January 2017 to June 2017)
Mrs J Sauzier	Member (period June 2016 to August 2016)
Mr G Cadet de Fontenay	Member
Mr C Lokhun	Member (period June 2016 to November 2016)
Mr S Naidu	Member (period December 2016 to June 2017)
Mr M Rughoo	Member (period September 2016 to June 2017)

The Finance Committee reviews and recommends to the Board matters pertaining to the financial situation of the FAREI, financial statements and reports, budget estimates, tender committee and bid evaluation reports and award of contracts.

Six meetings of the Finance Committee were held during the period May 2016 to June 2017.

Staff Committee (SC) Composition of the SC and its functions:

Mrs N B Payneeandy	Chairperson (period June 2016 to December 2016)
Mrs I Rugjee	Chairperson (period January 2017 to June 2017)
Mr S Naidu	Member
Mr M Rughoo	Member
Prof (Mrs) S Facknath	Member

The Staff Committee examines and recommends to the Board matters relating to, inter-alia:

- Human Resource Strategies;
- Interviews, Selection and Appointment;
- Training and Development; and
- Industrial relations.

There were eleven meetings of the Staff Committee during the period May 2016 to June 2017.

Strategic and Monitoring Committee (SMC) The composition of the SMC was as follows:

Mr S Naidu	Chairperson
Prof (Mrs) S Facknath	Member
Mr M Rughoo	Member
Mr R Kissoonah	Member

In Attendance

Mr R Rajcumar
Mr D Abeeluck
Mrs M Seenevassen Pillay
Ms A Dunputh

Acting Chief Executive Officer Assistant Director (Crop) Assistant Director (Livestock) Administrative Manager / Secretary Terms of Reference of the SMC and shall inter-alia, focus on:

- Aligning with the strategic policy;
- Reviewing the performance and considering proposals regarding effectiveness and sustainability through Departmental review for crop, livestock and extension to farmers;
- Looking at the macro level issues and the FAREI's future in the medium term;
- Introducing, developing and promoting novel technologies in the food and non-sugar agricultural sector within a sustainable framework. To keep pace with the change, officers be given the opportunity to have access to new technologies (computer networking etc);
- Reflecting on FAREI's weaknesses, allocation of more resources in terms of recruitment and equipment, quality of reporting etc;
- Ensuring synergy among stakeholders;
- Preparing succession planning; and
- Addressing budgetary constraints to be able to unfold the strategic plan of action towards the farming community and avoiding departure from procedures.

There were three meetings of the Strategic and Monitoring Committee (SMC) during the period May 2016 to June 2017.

Audit and Corporate Governance Committee (ACGC)

Composition of the ACGC	
Mrs J Sauzier	Chairperson (period June 2016 to April 2017)
	Member (from May 2017 to June 2017)
Mr S Naidu	Chairperson (period May 2017 to June 2017)
	Member (September 2016 to April 2017)
Prof (Mrs) S Facknath	Member
Mr R Kissoonah	Member
In Attendance	
Ms P Sevathian	Internal Auditor, FAREI
Ms A Dunputh	Administrative Manager/Secretary

The Terms of Reference of the ACGC are inter-alia to focus on:

- The functioning and monitoring of the Internal Audit system to improve efficiency;
- Compliance with rules and regulations;
- Reviewing significant accounting and reporting issues to understand their impact on the financial statements;
- Encouraging consultation between internal and external auditors; and
- Assessing the adequacy and effectiveness of the organisation's governance, risk management, control frameworks and legislative and regulatory compliance.

Only one meeting of the Audit and Corporate Governance Committee was held from May 2016 to June 2017.

Training, Research and Development Committee (TRDC) The composition of the TRDC was as follows:

Prof (Mrs) S Facknath	Chairperson
Mr S Naidu	Member
Mr G Cadet de Fontenay	Member
Mrs J Sauzier	Member
Mr M Rughoo	Member
In Attendance	
Mr R Rajcumar	Acting Chief Executive Officer, FAREI
Mr D Abeeluck	Assistant Director (Crop)
Mrs M Seenevassen Pillay	Assistant Director (Livestock)
Ms A Dunputh	Administrative Manager/Secretary

Terms of Reference of the TRDC

The TRDC focuses on the following:

- Advising on training policy, in line with the strategic policy to improve the effectiveness of the system;
- Reviewing the training policies, communication and making recommendations to the Board;
- Reviewing the communications policy and making recommendations to the Board and its stakeholders;
- Communication with stakeholders to further research and development (with CIRAD, MRC, CIAT, IAEA, AVRDC, etc...);
- Following up on the implementation, with measures of FAREI's projects and;
- Budget allocation for training.

There were two meetings of the TRDC during the period May 2016 to June 2017.

Attendance records, remuneration and benefits of members

Remuneration Philosophy

During the period under review, the Chairperson and Board members were paid fees in accordance with the recommendations of the PRB report 2016. The remunerations for the period 01 January 2016 to 30 June 2017 were as follows:

Chairpersons		Members	
Mr V Gondeea	149,625	Mr K Sunghoon	
Mr H Woodun	389,025	Mr A Luchmun	
		Mr P Raya	
		Mrs J Sauzier	
		Mr K Ramsurrun	
		Mr G Cadet de Fontenay	
		Mrs N Payneeandy	Totaling 249,240
		Mrs I Rugjee	-, -
		Mr S Naidu	
		Prof (Mrs) S Facknath	
		Mr C Lokhun	
		Mr M Rughoo	
		Mr R Kissoonah	

Total number of Board meetings held from May 2016 to June 2017 is 19.

	Board meetings attended			
Mr H Woodun	19/19			
Mrs N Payneeandy	9/19			
Mrs I Rugjee	10/19			
Mrs Jacqueline Sauzier	15/19			
Mr R Kissoonah	17/19			
Prof (Mrs) S Facknath	12/19			
Mr S Naidu	19/19			
Mr M Rughoo	14/19			
Mr Gerard de Fontenay	17/19			
Mr C Lokhun	3/19			

				Fee	s (Rs)			
Name	FAREI Board	FC	SC	SMC	ACGC	TRDC	Travelling	Total
Chairpersons								
V Gondeea	149,625							149,625
H Woodun	389,025						12,650	401,675
Members								
I Rugjee	8,900	5,600	4,480				4,370	23,350
B Payneeandy	8,010	2,240	12,320				230	22,800
G de Fontenay	15,130	4,075				815	5,060	25,080
S Naidu	16,910	4,075	12,225	3,360	815	815	10,350	48,550
J Sauzier	14,240	1,630			1,120		4,140	21,130
S Facknath	11,570		7,335	815		1,120	4,370	25,210
CLokhun	2,670	1,630					1,150	5,450
M Rughoo	12,460	4,075	10,595	2,445		815	8,740	39,130
R Kissoonah	15,130			1,630	815		4,600	22,175
M Scorbiac				815			230	1,045
A Luchmun	890							890
K Sunghoon	890							890
P Raya	890							890
K Ramsurrun								
Total	646,340	23,325	46,955	9,065	2,750	3,565	55,890	787,890

Note: Finance Committee: FC; Staff Committee: SC; Strategic and Monitoring Committee: SMC; Training, Research and Development Committee: TRDC; Audit and Corporate Governance Committee: ACGC.

Code of Ethics

The Code of Ethics for FAREI employees rests on a number of core values which require that FAREI employees behave with integrity, selflessness, impartiality, objectivity, accountability, honesty and justice.

The three guiding principles of the code are that FAREI employees shall:

- 1. Fulfill their lawful obligations to FAREI with professionalism, integrity and loyalty;
- 2. Perform their official duties honestly, faithfully and efficiently while respecting the rights of the public and their colleagues; and
- 3. Not to bring the FAREI into disrepute through their private activities.

Related Parties Transactions

There has not been any related party transaction during the period under review.

Safety and Health Policy Statement

As a caring and responsible employer, the FAREI is committed to providing and maintaining a healthy, safe and secure working environment for its employees. It believes in raising awareness on health issues that are imperative in the prevention of accidents and improving the well-being of its staff.

In furtherance of this commitment, the FAREI aims at:

- Ensuring that it is complying with current Safety and Health Legislation (Occupational Safety and Health Act 2005) and any other relevant legislation;
- Assessing the workplace through risk assessment which is crucial in ensuring that these standards are maintained;
- Providing suitable training, information, instruction and supervision to maintain these standards;
- Maintaining a healthy work life style through Medical Health Surveillance programs to those exposed to substances and conditions hazardous to their health; and
- Encouraging staff to report any pertaining safety and health issue and support them in promoting a safe and healthy working environment.

Statement of Directors' responsibility

The FAREI acknowledges its responsibilities for:

- Adequate accounting records and maintenance of effective internal control systems;
- The preparation of financial statements which fairly present the state of affairs of the Institute as at the end of the financial year and the results of its operations and cash flows for that period and which comply with International Public Sector Accounting Standards (IPSAS); and
- The selection of appropriate accounting policies supported by reasonable and prudent judgments.

The Director of Audit of the National Audit Office is responsible for reporting on whether the financial statements are fairly presented.

The Board of Directors report that:

- Adequate accounting records and an effective system of internal control have been maintained;
- Appropriate accounting policies supported by reasonable and prudent judgments and estimates have been used consistently;
- Applicable accounting standards have been adhered to; and
- The Code of Corporate Governance as applicable to State-Owned Enterprises has been adhered to.

Directors' Statement for Internal Control

The FAREI acknowledges its responsibility for the setting up of adequate systems of Internal Control and for the setting up of appropriate policies to provide reasonable assurance that the control objectives have been attained. The activities of the Institute are closely monitored by the Board and its Sub-Committees. Procedures and policies are well documented and consistently applied. Management has the relevant experience and skills to ensure proper running of the Institute.

An effective system of Internal Control providing for the following has been implemented:

- Proper segregation of duties whereby the different functions in process are crosschecked and verified;
- Follow up and implementation of the recommendations of the Director of Audit by the divisions concerned in order to improve processes and to ensure proper accountability;
- Adequate supervision of duties performed by staff members;
- The assets of the Institute are properly safeguarded;
- All cheques issued by the Institute are signed by two authorized signatories; and
- Compliance with relevant laws, rules and regulations.

Risk Management

Risk management is closely linked to Corporate Governance. FAREI has set up an Audit and Corporate Governance Committee and is in the process of establishing a risk management framework. This framework will set out the organisational arrangements for designing, implementing, monitoring, reviewing and continually improving risk management throughout FAREI.

Signed on behalf of the FAREI Board of Directors

H Woodun Chairperson 24 June 2020 Date

Board Member

Profile of Board Members

Mr Hemraj Woodun

Mr H Woodun is a Sole Trader and Company Director and has wide experience in the agricultural sector. He is presently Chairperson of FAREI.

Mrs Indira Rugjee

Mrs I Rugjee holds an MBA from the University of Birmingham, UK. She has wide experience in the public sector and is presently Deputy Permanent Secretary at the Ministry of Agro Industry and Food Security.

Mrs Jacqueline Sauzier

Mrs Jacqueline Sauzier has wide experience in the agricultural sector and is presently Secretary of the Mauritius Chamber of Agriculture.

Mr Mukesh Rughoo

Mr Mukesh Rughoo, aged 63, holds a Master degree in Genetics and Plant Breeding from the University of Aberystwyth, Wales and a Bachelor degree in Agriculture from the University of Mauritius. Mr Rughoo has more than 35 years' experience in research and development of crops of strategic importance such as sugar cane, potato, tomato, maize, pulses, onion, garlic, wheat, rice and other crops. He has bred and released for cultivation, a number of locally adapted new varieties of maize, tomatoes, potatoes and pulses.

Professor (Dr.) Sunita Facknath

Professor (Dr.) Sunita Facknath is a Professor in Sustainable Agriculture in the Faculty of Agriculture, University of Mauritius, and a twice-over doctorate (she holds two PhDs, one from UK and another from Mauritius). In addition to her teaching, she is very active as a researcher and consultant. She has researched and developed a large number of environmentally-friendly, and sustainable technologies for crop health, using natural and/or non-chemical approaches that can be used in biofarming and organic production.

Mr G Cadet de Fontenay

Mr G Cadet de Fontenay is appointed by Minister by virtue of his involvement in agricultural activities. Born in 1955, Mr G de Fontenay is a Consultant for the Compagnie Agricole de St Antoine, Groupe Mon Loisir, Medine and Savannah Sugar Estates. He is also the Director and Technical Manager of Cover All Pest Control.

Mr Rajdeo Kissoonah

Mr Rajdeo Kissoonah is presently the Secretary/Manager of the Mauritius Agricultural and Marketing Cooperative Federation Ltd. He is also the Vice President of the Mauritius Cooperative Alliance Ltd, Board Director of Belle Mare Water Users Multi-Purpose Cooperative Society Ltd and Board member of the Advisory Board of the Ministry of Business, Enterprise and Cooperatives. He holds a School Certificate and a Diploma in Cooperatives.

Mrs N Brinda Payneeandy

Mrs N Brinda Payneeandy holds a BSc First Class Honours in Public Administration and an MBA General. She has a wide experience in the public sector and was Assistant Permanent Secretary of the Ministry of Agro Industry and Food Security when she served as a Board member of FAREI.

Mr Sandrasagarren Naidu

Mr Sandrasagarren Naidu is a Freelance Consultant and a Trainer (MQA approved). His areas of expertise are as follows:

- Management of agricultural research and extension
- Statistics and agricultural surveys
- Capacity building of Non-State Actors/civil society organisations
- Poverty alleviation programmes

Mr Naidu holds a BSc. (Hons) Agriculture, University of Mauritius (1973), an MSc. Biometry, University of Reading, UK (1976) and a Diploma in Agricultural Surveys and Censuses, USDA (1981).

Mr Kreepalloo Sunghoon

Mr Kreepalloo Sunghoon holds a School Certificate (Cambridge), a General Certificate of Education (London) and a Teacher's Certificate in Communication (MIE 1983). He was the Chairman of the Small Farmers Welfare Fund in 2013/2014. He is presently an Educator in Entrepreneurship Education (Secondary School), Secretary of the Small Planters' Association and a sugarcane and vegetable planter for more than 35 years.

Mr Vishnou Gondeea

Mr V Gondeea, holds a Diploma in Public Administration and Management. He joined the Public service in 1973 and has worked in different Ministries in various administrative positions as Assistant Secretary and Principal Assistant Secretary. Prior to his retirement, he was the Permanent Secretary of the Ministry of Agro Industry and Food Security. He was also a member of the following Boards: State Trading Corporation, MSIRI, Tea Board, Mauritius Post Ltd, State Informatics Ltd, MPCB, National Computer Board, Mauritius Telecom and Business Parks of Mauritius Ltd.

Mr Gondeea was the Chairperson of the FAREI Board from May 2015 to May 2016.

Mr Paul Raya

Mr Paul Raya has wide experience in the agricultural sector. He is the Director of Zoe Farm Ltd and Director of Live and Direct Entertainment Ltd.

Mr Chandramohun Lokhun

Mr Chandramohun Lokhun has wide experience in the agricultural sector. He holds a School Certificate and was a member of the Board of the Agricultural Marketing Board.

Mr Atmanand Luchmun

Mr A Luchmun has wide experience in the agricultural sector. He is the Managing Director of Foods Worth Co Ltd, Managing Director of Aerofly Travel and Tours Ltd. He was a member of the Board of the Small Farmers Welfare Fund.

Mr Kavishekur Ramsurrun

Mr K Ramsurrun has wide experience in the agricultural sector. He is a member of the Mauritius Agricultural and Marketing Cooperative Federation.

Ethics

Every member of staff at FAREI is expected to conduct his/her work with utmost integrity, objectivity, fairness and professionalism. Staff members are required to uphold the reputation of the organization by treating its stakeholders, clients and the general public in a helpful and courteous manner, on a timely, reliable and where appropriate on a confidential basis, in an open, fair and efficient way. The senior management team ensures equality of opportunity and an open climate in which employees can have confidence in the fairness and impartiality of procedures.

Environmental and Social responsibilities

The FAREI recognizes that it operates within a social and economic community. The organization highly values its social role as a "responsible corporate citizen" and acts in a manner which is non-exploitative, non-discriminatory and respectful of human rights.

Major Board decisions

- 1. Setting up of a Bio Farming Unit at FAREI
- 2. Setting up of three sub-committees of the FAREI Board namely the Audit and Corporate Governance Committee, the Strategic and Monitoring Committee and a Training, Research and Development Committee
- 3. Filling of the post of Chief Executive Officer at FAREI

The Board approved the purchase of the following:

- Two 4x4 double cab vans, make Mazda BT50 3.2 for the total price of Rs3,004,550 .
- One Tractor New Holland model TD 5.65 CAB 4WD for the total price of Rs1,391,300.
- One Rotary Blade Tiller model Sonalika with heavy duty blades for the sum of Rs205,275.
- One Skid Steer Loader make Bobcat model S450 for the total price of Rs1,367,350.
- Purchase of one single cab refrigerated truck for milk transportation for a total price of Rs1,285,300.
- Procurement of one Autoclave for a total amount of Rs1,035,412.85.
- Purchase of a 30-seat passenger vehicle for the sum of Rs2,864,950.
- Procurement of one Agricultural Tractor with manure loader for the sum of Rs2,300,822.25 for Curepipe LRS.

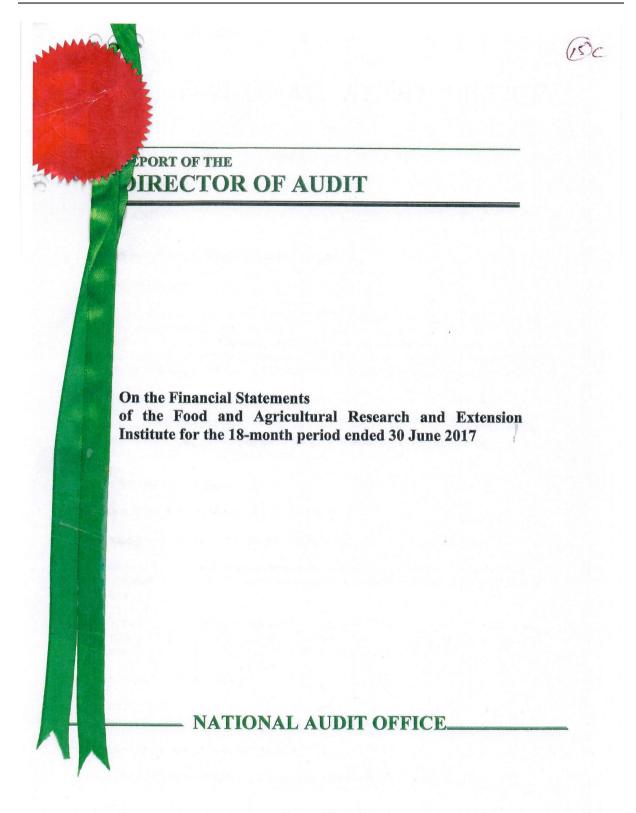
The Board approved:

- The principle that FAREI should undertake the storage of carrot during period of overproduction in collaboration with the Agricultural Marketing Board so as to ensure a regular supply of carrot throughout the year
- A Memorandum of Understanding between the Mauritius Chamber of Agriculture and FAREI for the implementation of the Smart Agriculture project with the objective of reducing the use of pesticides in food crop production in Mauritius

- Twenty one Clerk/Word Processing Operators be allowed to join the grade of Management Support Officer in accordance with the provisions of PRB 2013 report.
- The appointment of eleven officers in the grade of Executive Officer, Senior Clerk and Higher Executive Officer to that of Office Management Assistant with effect from 01 July 2017.
- Thirty three officers who were previously posted at Newry Complex in Quatre-Bornes be relocated to FAREI offices in Réduit.
- The Board approved the renting of office space of an area of 53.75 sq metres available on the first floor of the Municipal Council of Vacoas-Phoenix to accommodate the sub-offices for Centre West 1 and 2.

Section 5: Report of the Director of Audit and Financial Statements for the 18 months period ended 30 June 2017

Report of the Director of Audit





REPORT OF THE DIRECTOR OF AUDIT

TO THE BOARD OF THE

FOOD AND AGRICULTURAL RESEARCH AND EXTENSION INSTITUTE

Report on the Audit of the Financial Statements

Qualified Opinion

I have audited the financial statements of the Food and Agricultural Research and Extension Institute, which comprise the statement of financial position as at 30 June 2017 and the statement of financial performance, statement of changes in net assets/equity, cash flow statement and the statement of comparison of budget for the 18-month period then ended, and notes to the financial statements, including a summary of significant accounting policies.

In my opinion, except for the possible effects of the matters described in the Basis for Qualified Opinion section of my report, the accompanying financial statements give a true and fair view of the financial position of the Food and Agricultural Research and Extension Institute as at. 30 June 2017, and of its financial performance and cash flows for the year then ended in accordance with International Public Sector Accounting Standards.

Basis for Qualified Opinion

Property, Plant and Equipment - Rs 45,321,199

The completeness, existence and valuation of the assets could not be ascertained as:

The assets of the ex-Food an Agricultural Research Council vested in Food and Agricultural Research and Extension Institute on 14 February 2014. A survey was not carried out at time of transfer nor annually.

The cost of property, plant and equipment totaled Rs 174.3 million out of which the cost of fully depreciated assets amounted to Rs 75.7 million. Review of useful life of these assets was not carried out as required under IPSAS 17 - Property, Plant and Equipment.

Capital Grant - Rs 59,911,143

This figure, representing fund available for schemes and project, was accounted as capital grant contrary to IPSAS 23 - Revenue from Non-exchange Transactions (Taxes and Transfers).

Statement of Changes in Net Assets/Equity

The capital grant of Rs 59,911,143 was wrongly included under contributed capital.

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....

I conducted my audit in accordance with International Standards of Supreme Audit Institutions (ISSAIs). My responsibilities under those standards are further described in the 'Auditor's Responsibilities for the Audit of the Financial Statements' section of my report. I am independent of the Food and Agricultural Research and Extension Institute in accordance with the INTOSAI Code of Ethics, together with the ethical requirements that are relevant to my audit of the financial statements in Mauritius, and I have fulfilled my other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my qualified opinion.

Key Audit Matters

Key Audit Matters are those matters that, in my professional judgment, were of most significance in my audit of the financial statements of the current period. These matters were addressed in the context of my audit of the financial statements as a whole, and in forming my opinion thereon, and I do not provide a separate opinion on these matters.

I have determined that there are no key audit matters to communicate in my report.

Emphasis of Matter

I draw attention to the accumulated deficit of Rs 132,921,039 and the negative total net assets/equity of Rs 73,009,896 for 18-month period ended 30 June 2015 as compared to Rs 95,036,213 and Rs 61,501,159 respectively for financial year ended 30 June 2015. My opinion is not modified in respect of this matter.

Other Information

Management is responsible for the other information. The other information comprises the information included in the annual report of the Food and Agricultural Research and Extension Institute, but does not include the financial statements and my auditor's report thereon.

My opinion on the financial statements does not cover the other information and I do not express any form of assurance conclusion thereon.

In connection with my audit of the financial statements, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact. I have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Public Sector Accounting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Food and Agricultural Research and Extension Institute's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management intends to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible of overseeing the Food and Agricultural Research and Extension Institute's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISSAIs, will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISSAIs, I exercise professional judgement and maintain professional scepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Food and Agricultural Research and Extension Institute's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Food and Agricultural Research and Extension Institute's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Food and Agricultural Research and Extension Institute to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

I also provide those charged with governance with a statement that I have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, I determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. I describe these matters in my auditor's report unless law or regulation precludes public disclosure about the matter or, when, in extremely rare circumstances, I determine that a matter should not be communicated in my report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

Management's Responsibilities for Compliance

In addition to the responsibility for the preparation and presentation of the financial statements described above, management is also responsible to ensure that the Food and Agricultural Research and Extension Institute's operations are conducted in accordance with the provisions of laws and regulations, including compliance with the provisions of laws and regulations that determine the reported amounts and disclosures in an entity's financial statements.

Auditor's Responsibilities

In addition to the responsibility to express an opinion on the financial statements described above, I am also responsible to report to the Board whether:

- (a) I have obtained all the information and explanations which to the best of my knowledge and belief were necessary for the purpose of the audit;
- (b) the Statutory Bodies (Accounts and Audit) Act have been complied with;
- (c) in my opinion, and, as far as could be ascertained from my examination of the financial statements submitted to me, any expenditure incurred is of an extravagant or wasteful nature, judged by normal commercial practice and prudence;
- (d) in my opinion, the Food and Agricultural Research and Extension Institute has been applying its resources and carrying out its operations fairly and economically; and
- (e) the provisions of Part V of the Public Procurement Act regarding the bidding process have been complied with.

I performed procedures, including the assessment of the risks of material non-compliance, to obtain audit evidence to discharge the above responsibilities.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my qualified opinion.

E

Statutory Bodies (Accounts and Audit) Act

I have obtained all information and explanations which to the best of my knowledge and belief were necessary for the purpose of my audit.

Submission of Annual Report

The Annual Report, including the financial statements of Food and Agricultural Research and Extension Institute for the 18-month period ended 30 June 2017, was submitted on 30 November 2018, that is, some 13 months after the statutory deadline. The financial statements were amended and re-submitted on 6 July 2020.

Except for the late submission of the Annual Report, Food and Agricultural Research and Extension Institute has complied with the Statutory Bodies (Accounts and Audit) Act in so far as it relates to the accounts.

Based on my examination of the accounts of Food and Agricultural Research and Extension Institute, except for the matter reported above, nothing has come to my attention that indicates that:

- (a) any expenditure incurred was of an extravagant or wasteful nature, judged by normal commercial practice and prudence; and
- (b) the Institute has not applied its resources and carried out its operations fairly and economically.

Public Procurement Act

In my opinion, the provisions of Part V of the Act have been complied with as far as it appears from my examination of the relevant records.

PT

C. ROMOOAH Director of Audit

National Audit Office Level 14, Air Mauritius Centre PORT LOUIS

1 September 2020

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STATEMENT OF FINANCIAL POSITION FO		Period Ended 30 June 2017	Year Ended 31 December 2015
	Notes	Rs	Rs
ASSETS			
Current Assets			
Cash and cash equivalents	7	42,844,836	34,962,030
Receivables	8	7,390,062	8,297,723
Prepayments	9	16,250	-
		50,251,148	43,259,753
Non-current assets			
Receivables	10	17,419,906	14,235,101
Property, plant and equipment	11	45,321,199	44,947,380
Intangible Assets	12	294,503	515,987
		63,035,608	59,698,468
Total assets		113,286,756	102,958,221
LIABILITIES			
Current liabilities			
Payables	13	2,938,677	2,849,557
Current portion of long term borrowings	14	6,281,976	7,082,067
Employee benefit	15	17,268,712	13,130,080
		26,489,365	23,061,704
Non-Current Liabilities			
Long term provisions	16	68,032,030	64,335,501
Long term borrowing	17	15,194,623	13,460,391
Retirement benefit obligations	18	76,580,634	63,601,784
		159,807,287	141,397,676
Total liabilities		186,296,652	164,459,380
Net liabilities		(73,009,896)	(61,501,159
NET ASSETS / EQUITY			
Capital contributed by:			
Capital grant	19	59,911,143	33,535,054
Accumulated deficit		(132,921,039)	(95,036,213)
Total Net Assets/Equity		(73,009,896)	(61,501,159
		(12,000)	(,,,,

The accompanying notes form an integral part of the financial statements.

H Woodun Chairman FAREI Board

Approved by the Board on 24 June 2020.

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S Soborun (Mrs) Board Member

STATEMENT OF FINANCIAL PERFORMANCE FOR THE 18 MONTHS PERIOD ENDED 30 JUNE 2017					
		30 June 2017	31 December 2015		
	Notes	Rs	Rs		
Revenue					
Transfers from government	20	478,109,750	269,274,868		
Transfers from other entities	21	390,180	232,857		
Other revenue	22	15,810,179	9,305,081		
Total Revenue		494,310,109	278,812,806		
Expenses					
Salaries and employee benefits	23	408,469,699	250,689,426		
Supplies and consumables used	24	47,318,530	31,590,808		
Depreciation and amortisation expense	25	10,967,001	8,997,084		
Other Expenses	26	65,439,705	29,639,474		
Total Expenses		532,194,935	320,916,792		
Deficit for the year	-	(37,884,826)	(42,103,986)		

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STATEMENT OF CHANGES IN NET ASSETS/EQUITY FOR THE 18 MONTHS PERIOD ENDED 30 JUNE 2017

	Contributed Capital 2017 Rs	Accumulated Deficit 2017 Rs	Total Net Assets/ Equity 2017 Rs
Balance as at 01 January 2016	33,535,054	(95,036,213)	(61,501,159)
Unutilised capital grant	26,376,089	-	26,376,089
Deficit for the period	-	(37,884,826)	(37,884,826)
Closing balance at 30 June 2017	59,911,143	(132,921,039)	(73,009,896)

	Contributed Capital 2015 Rs	Accumulated Deficit 2015 Rs	Total Net Assets/ Equity 2015 Rs
Balance as at 01 January 2015	-	(52,932,227)	(52,932,227)
Unutilised capital grant	33,535,054	-	33,535,054
Deficit for the period	-	(42,103,986)	(42,103,986)
Closing balance at 31 December 2015	33,535,054	(95,036,213)	(61,501,159)

CASH FLOW STATEMENT FOR THE 18 MONTHS F	Period Ended	Year Ended
	30 June 2017	31 December 2015
	Rs	Rs
CASH FLOW FROM OPERATING ACTIVITIES		
Deficit for the year/period	(37,884,826)	(42,103,986)
Interest Received	(30,325)	(259,680)
Non-cash movements		
Depreciation for the year	10,715,709	8,794,561
Amortisation of intangible asset	251,292	202,523
Loss on disposal of fixed assets	-	245,570
Increase in retirement benefit obligations	12,978,850	8,311,205
(Increase) / Decrease in receivables	(2,293,395)	685,324
Increase in payables	4,719,790	518,794
Increase in employee benefit	4,138,632	1,785,621
Net cash flows from operating activities	(7,404,272)	(21,820,068)
CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(11,089,533)	(4,867,827)
Purchase of intangible assets	(29,808)	(200,000)
Proceeds from disposal of fixed assets	-	160,500
Interest received	30,325	259,680
Net cash flows from investing activities	(11,089,016)	(4,647,647)
CASH FLOWS FROM FINANCING ACTIVITIES	26.276.004	0 0 0 0 0 0 0
Movement in Capital Grant	26,376,094	9,930,380
Net cash flow from financing activities	26,376,094	9,930,380
Net (decrease) / increase in cash and cash equivalents	7,882,806	(16,537,335)
Cash and cash equivalents at the beginning of the year /		
period	34,962,030	51,499,365
Cash and cash equivalents at end of the year / period	42,844,836	34,962,030
	, ,	
Cash and cash equivalents consist of		
Cash and bank balances	42,844,836	34,962,030
		, , <u> </u>

CASH FLOW STATEMENT FOR THE 18 MONTHS PERIOD ENDED 30 JUNE 2017

			Actual Received
	Approved	Revised	/ Paid
	Rs	Rs	Rs
Revenue			
Government grant (capital and			
recurrent)	402,525,989	463,295,004	478,499,930
Other Income	10,000,000	10,000,000	15,810,181
	412,525,989	473,295,004	494,310,111
Expenditure			
Salaries and other related costs	311,791,916	305,794,416	279,843,717
Pension cost (SICOM)	44,217,256	44,217,256	42,904,854
Passage benefits	13,560,657	13,560,657	9,112,451
Travelling and transport	29,850,740	41,950,740	41,371,083
Office expenses	10	4,083,958	3,486,917
Utilities	757,510	8,299,267	8,297,295
Rent	10	4,049,677	3,806,677
Maintenance and running cost	10	1,010,077	3,000,077
of vehicles	10	5,363,125	3,521,438
Maintenance of building and	10	5,505,125	5,521,450
equipment	10	4,740,625	7,258,739
Training	10	462,000	260,819
Information technology facilities	10	650,000	405,043
Uniform and protective clothing	1,400,000	3,400,000	3,694,977
Nursery and laboratory consumables	10	1,584,375	1,841,104
Security services	10	10,326,408	10,105,865
Other operating expenses (animal		_0,0_0,000	_0)_000
feed, fertilizer, seeds, etc)	10	22,532,500	21,515,957
Income support	-		46,952,062
Insurance non-motor	350,010	850,000	441,618
Legal and professional fee	10	767,500	388,425
Chairman and Board members fee	637,500	662,500	781,299
Total Expenditure	402,565,689	473,295,004	485,990,340
-			

STATEMENT OF COMPARISON OF BUDGET FOR THE 18 MONTHS PERIOD ENDED 30 JUNE 2017

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STATEIVIENT OF OC	Revised	Financial	ENDED SO JONE 2017
	Budget	Statement	Comments
	Rs	Rs	
Expenditure	-	-	
Salaries and other related			The post of CEO was still
costs	305,794,416	289,607,298	vacant
			Includes Rs12.9M as
Pension cost (SICOM)	44,217,256	55,883,704	provision for pension benefit
			Includes Rs11.3M as
Passage benefits	13,560,657	21,607,614	provision for passage benefit
Travelling and transport	41,950,740	41,371,083	
Office expenses	4,083,958	3,486,917	
Utilities	8,299,267	8,297,295	
			Rented offices were released
Rent	4,049,677	3,806,677	in October 2017
Maintenance and running			
cost of vehicles	5,363,125	3,521,438	
			Urgent infrastructure works
Maintenance of building			had to be carried out in office
and equipment	4,740,625	7,258,739	buildings and on stations
Training	462,000	260,819	
Information technology			
facilities	650,000	405,043	
Uniform and protective			
clothing	3,400,000	3,694,977	
Nursery and laboratory	4 50 4 975		
consumables	1,584,375	1,841,104	
Security services	10,326,408	10,105,865	
Other operating expenses			
(animal feed, fertiliser,			
seeds, etc)	22,532,500	21,515,957	Dudgeted buthe Ministry and
Income support		46 052 062	Budgeted by the Ministry and
Income support	-	46,952,062	implemented by FAREI
Insurance non-motor	850,000	441,618	Budget was overestimated
Legal and professional fee Chairman and board	767,500	388,425	
members fee	662,500	781,299	
Total expenditure	473,295,004	521,227,934	
	4/3,233,004	JL1,LL1,JJ4	-

STATEMENT OF OUTTURN FOR THE 18 MONTHS PERIOD ENDED 30 JUNE 2017

NOTES TO THE ACCOUNTS FOR THE 18 MONTHS PERIOD ENDED 30 JUNE 2017

1 PRINCIPAL ACTIVITIES

The Food and Agricultural Research and Extension Institute (FAREI), a body corporate, was established on 14 February 2014 to serve the purpose described in the **Food and Agricultural Research and Extension Institute Act 2013**.

The establishment of the FAREI was to take over the activities of the Food and Agricultural Research Council (FARC), including the Agricultural Research and Extension Unit (AREU).

The objects of FAREI is to introduce, develop and promote such novel technologies in the food and non-sugar agricultural sector as may be approved by the Minister; to coordinate, promote and harmonise research activities in non-sugar agriculture, food production and forestry; promote and encourage agricultural and agribusiness development, through the setting up of agricultural youth clubs and agricultural entrepreneur clubs; and promote dissemination and practical application of the results of any research undertaken under the FAREI Act.

1B BASIS OF PREPARATION

a. Statement of compliance

The financial statements have been prepared in accordance with the International Public Sector Accounting Standards (IPSAS) issued by the International Public Sector Accounting Standards Board (IPSASB) which is a Board of the International Federation of Accountants Committee (IFAC).

Where an IPSAS does not address a particular issue, the appropriate International Financial Reporting Standards (IFRS) and International Accounting Standards (IAS) of the International Accounting Standards Board (IASB) are applied.

b. Basis of preparation

The financial statements have been prepared on an accrual basis and on a going concern basis and the accounting policies have been applied consistently throughout the year.

The presentation of Financial Statements as per IPSAS1 comprise of:

- Statement of Financial Position
- Statement of Financial Performance
- Statement of changes in net assets and equity
- Cash Flow Statement
- Statement of comparison of actual and budget amounts, and
- Notes comprising of significant accounting policies and other explanatory notes

c. Reporting date

The amendments brought to the Finance and Audit Act provided for a change in Government financial year from 31 December to 30 June. Consequential changes to the Statutory Bodies (Accounts and Audit) Act were also brought. Effective from 01 January 2016, statutory bodies were required to align their financial year with that of the Government.

In this context, the budget estimates and Financial Statements were prepared for an eighteen months period starting 1 January 2016 to 30 June 2017. The comparative figures for 2015 are for twelve months period from 1 January to 31 December 2015.

d. Level of rounding

The figures in the Financial Statements have been rounded to the nearest rupee.

e. Cash Flow

Indirect method has been used to prepare the Cash Flow Statement.

f. List of IPSASs issued but not yet effective

- IPSAS 33 First Time Adoption of Accrual Basis IPSAS Effective for annual periods beginning on or after January 2017 date of issue: January 2015
- IPSAS 34 Separate Financial Statements Effective for annual periods beginning on or after January 2017 – date of issue: January 2015
- IPSAS 35 Consolidated Financial Statements Effective for annual periods beginning on or after January 2017 – date of issue: January 2015
- IPSAS 36 Investments in Associates and Joint Ventures- Effective for annual periods beginning on or after January 2017 – date of issue: January 2015
- IPSAS 37 Joint Arrangements Effective for annual periods beginning on or after January 2017– date of issue: January 2015
- IPSAS 38 Disclosure of Interests in Other Entities Effective for annual periods beginning on or after January 2017 – date of issue: January 2015
- IPSAS 39 Employee Benefits Effective for annual period beginning on or after 1 January 2018 – date of issue: July 2016
- IPSAS 40 Public Sector Combinations Effective for annual periods beginning on or after 1 January 2019 - date of issue: January 2017

The Institute anticipates that the adoption of these Standards in the future periods will have no material impact on the Financial Statements.

g. Presentation currency

The Financial Statements are presented in Mauritian Rupee.

2 ACCOUNTING POLICIES

a. Revenue Recognition

Revenue has been accounted on an accrual basis and is measured at the fair value of the consideration received or receivable.

The main sources of the Institute's revenue are:

- Grant from Government to meet recurrent expenditure: Revenue Grant and Capital Grant which contributes towards capital expenditure;
- Grant from other institutions;
- Proceeds from disposal of farm produce after trial and demonstration, plants from tissue culture and hardening unit;
- Sales of animals, dairy produce and manure;
- Training fee charged to institutions and sales of publications; and
- Service charges provided to the public and institutions (the services charges are namely for diagnostic, testing and analysis of products, design of structures and consultancy).

b. Property, Plant and Equipment

Property, plant and equipment are stated at historical cost less accumulated depreciation. Historical cost is the amount of cash or cash equivalents paid to acquire an asset at the time of acquisition. No impairment in value was considered.

Depreciation is provided on the Straight Line basis so as to write-off the depreciable value of the assets over their expected useful economic lives. Depreciation has been provided for in the month following the month of purchase.

No depreciation is provided in the month of disposal.

The annual rates of depreciation are as follows:

Buildings	2%
Office equipment	20%
Furniture and fittings	_10%
Field equipment	_25%
Heavy duty field equipment	20%
Motor vehicle	20%
Computer hardware	20%
Laboratory equipment	_15%
Greenhouse	_25%
Greenhouse equipment, fog unit and	
polycarbonate greenhouse	_10%

c. Intangible Assets

Intangible assets comprise computer software which is recorded at cost. Computer software is amortised using the straight line method over a useful life of five years (20%). Cost incurred towards licence renewal is expensed.

d. Impairment of non-current assets

The carrying values of property, plant and equipment are not reviewed for impairment as there is no indication that the carrying value may not be recoverable.

e. Operating Lease

Rentals payable under operating lease agreements are charged to the Statement of Financial Performance on a straight line basis over the term of the relevant lease. Operating leases are leases, the ownership of which is retained by the lessor.

f. Leasehold Land and Building

Land occupied by the Institute is owned by the Ministry of Agro Industry and Food Security and has not been capitalised.

Buildings occupied by FAREI transferred from the Ministry are not reflected in the Financial Statements.

g. Grant

Grant received to meet recurrent and capital expenditure is treated as revenue in the statement of financial performance in the year of receipt.

Capital grant are funded by the Government and other entities. Expenditure incurred is both of recurrent and capital nature.

h. Employee Benefit

The FAREI Staff Pension Fund is a defined benefit plan and its assets are managed by SICOM Ltd. The cost of providing the benefit is determined in accordance with actuarial review.

The present value of defined obligations is recognised in the statement of financial position as a non-current liability or non-current asset adjusting for fair value of plan assets, any unrecognised actuarial gains and losses and any unrecognised past service cost.

The current service cost and any unrecognised past service cost are included as an expense together with the associated interest cost, net of expected return on plan assets.

Contributions to SICOM paid on behalf of employees on permanent and pensionable establishment as from 01 January 2013 under the Public Pensions Defined Contribution Pension Scheme are expensed in the Income Statement in the year in which they fall due. The employees' and employer's contributions under this scheme are 6 and 12 per cent respectively. Contribution to the National Pension Scheme on behalf of temporary and contract employees are expensed in the Statement of Financial Performance in the period in which they fall due.

i. Family Protection Scheme

A Family Protection Scheme exists at the FAREI whereby 4% of monthly salary of each employee on a permanent and pensionable establishment is paid to either the Civil Service Family Protection Scheme or the State Insurance Company of Mauritius Limited (SICOM) which manage the scheme. A contribution of 2% respectively by FAREI and the employee is made towards the schemes.

j. Key Management Personnel Compensation

Key management personnel are those persons having authority and responsibility of planning, directing and controlling the activities of the Institute, directly or indirectly, including directors (whether executive or otherwise) of the Institute.

The compensation paid to key management personnel is based on the recommendation of the Pay Research Bureau Report and is included in salaries and benefits.

The key management personnel of FAREI comprise the Acting Chief Executive Officer and Assistant Directors.

Key Management Personnel Emoluments:

 Year ended 31 December 2015
 Rs4,067,580

 18 months period ended 30 June 2017
 Rs7,541,454

k. Provisions

Provisions are recognised when there is a present or constructive obligation as a result of past events which it is probable will result in an outflow of economic benefits that can be reasonably estimated.

I. Use of estimates and judgement

The preparation of financial statements in accordance with the International Public Sector Accounting Standards requires the use of estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the Financial Statement and the reported amounts of revenues and expenses during the reporting period. Although these estimates are based on management's best knowledge of current events and actions, actual results ultimately may differ from these estimates.

3 RELATED PARTY TRANSACTIONS

Related parties are considered to be related if one party has the ability to control the other party and exercise significant influence over the party in making financial operating decisions. No such transactions were reported during the period ended 30 June 2017.

4 FOREIGN CURRENCIES

Transactions denominated in foreign currencies are translated into Mauritian Rupees and recorded at the rate of exchange prevailing at the date of the transactions. Balances at the end of the financial period denominated in foreign currencies are translated into Mauritian Rupees at the rate prevailing at that date.

5 PENDING LITIGATIONS

As at 30 June 2017 there were three cases of pending litigations with total claims of Rs6,351,954 against FAREI. The outcome of these cases will depend on court judgements. The likelihood of the potential litigation costs were assessed by management. It is believed that the possibility of any possible obligation accruing to FAREI in all these cases is remote in this accounting period. Accordingly no provisions have been made to the accounts.

6 RISK MANAGEMENT POLICIES

A description of the various risks to which the FAREI is exposed is shown below as well as the approach taken by management to control and mitigate those risks.

- *Liquidity risk:* This refers to the possibility of default by the FAREI to meet its obligations because of the unavailability of funds to meet both operational and capital requirements. In order to ensure adequacy of its funding, cash flow forecasts are prepared regularly and actions are taken accordingly.
- Credit risk:Credit risk relates to the possibility of default by employees in settling their loan
obligations towards the FAREI. The FAREI has established a "lien" policy on cars
purchased by those employees who benefit from such car loans.

Health surveillance: Management has a statutory obligation to comply with the Occupational Safety and Health Act 2005. This pertains to the provision of a safe workplace, protective clothing and equipment, health surveillance and sensitization.

		Period Ended 30 June 2017 Rs	Year Ended 31 December 2015 Rs
7	CASH AND CASH EQUIVALENTS		
	This is made up of bank balances and cash in hand		
	Savings Foreign Currency Account	-	1,011,883
	Current Accounts	42,821,701	33,911,567
	Cash in hand	23,135	38,580
		42,844,836	34,962,030
8	RECEIVABLES – CURRENT ASSETS		
	Debtors car loan	6,281,976	6,890,682
	Sundry debtors	171,354	488,294
	Debtors chargeable services	936,732	918,747
		7,390,062	8,297,723
9	PREPAYMENT	16,250	
10	RECEIVABLES – NON-CURRENT ASSETS		
	Grant receivable from MAIFS	1,800,000	-
	Debtors car loan falling due more than one year	15,619,906	14,235,101
		17,419,906	14,235,101

11. PROPERTY, PLANT AND EQUIPMENT

	Buildings Rs	Furniture and Fittings Rs	Office Equipment Rs	Computer Hardware Rs	Motor Vehicle and Heavy Duty Field Equipment Rs	Laboratory Furniture, Fittings and Equipment Rs	Post- Harvest and Plant Pathology Lab. Rs	Fog Unit, Polycarbonate and Hydroponic Greenhouse Rs	Food Processing and PCR Lab. Rs	Light Field Equipment Rs	Total Rs
Cost and Valuation	25 226 622	11 210 020	11 740 002	40 465 674	22 666 647	25 252 427	2 04 0 455	40 400 704	5 000 050	45 426 544	462 222 576
At Cost as at 01 January 2016 Additions	35,236,632	14,210,936 699,209	11,749,862	10,165,674 726,812	22,666,617 5,738,078	25,352,127	3,018,455	19,490,701	5,906,058	15,426,514	163,223,576
Additions	738,878	099,209	1,223,083	720,812	5,758,078	346,075	-	240,048	-	1,377,350	11,089,533
At cost as at 30 June 2017	35,975,510	14,910,145	12,972,945	10,892,486	28,404,695	25,698,202	3,018,455	19,730,749	5,906,058	16,803,864	174,313,109
Depreciation Depreciation as at 01 January											
2016	7,957,138	11,264,903	10,312,418	9,297,961	21,129,077	20,104,050	3,010,369	15,298,223	5,639,160	14,262,902	118,276,201
Charge for the period	1,065,720	463,409	907,693	569,917	1,751,535	2,939,371	8,085	1,493,398	128,927	1,387,654	10,715,709
Depreciation as at 30 June 2017	9,022,858	11,728,312	11,220,111	9,867,879	22,880,612	23,043,421	3,018,454	16,791,620	5,768,088	15,650,556	128,991,911
Carrying Amount As at 30 June 2017	26,952,653	3,181,833	1,752,835	1,024,607	5,524,082	2,654,781	-	2,939,129	137,970	1,153,309	45,321,199
As at 31 December 2015	27,279,494	2,946,036	1,437,444	867,712	1,537,540	5,248,077	8,088	4,192,479	266,899	1,163,612	44,947,380

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					Period Ended 30 June 2017 Rs	Year Ended 31 December 2015 Rs
12	INTA	NGIBLE	ASSETS – SOFTWARE COSTS	5	110	
	Softw	vare cos	ts are capitalized in accorda	nce with the pro	visions of IPSAS 31	
			01 January 2016		2,500,498	2,300,498
	Addit	ions	-		29,808	200,000
	At co	st as at	30 June 2017		2,530,306	2,500,498
	Amor	tisatior	as at 01 January 2016		1,984,511	1,781,988
			for the period		251,292	202,523
			n as at 30 June 2017		2,235,803	1,984,511
	Writt	en dow	n value as at 30 June 2017		294,503	515,987
12						
13	PAYA Credi		ing due within one year		1,241,829	231,510
	Accru				1,696,848	2,618,047
					2,938,677	2,849,557
14			DRTION OF LONG TERM BOR ng due within one year	ROWING	6,281,976	7,082,067
	curre	, an runn	ng due within one year		0,201,370	7,002,007
15	EMPL	OYEE E	ENEFIT			
	Sick l	eave		16(a)	9,706,047	6,249,253
	Passa	ge Ben	efits	16(b)	7,562,665	6,880,827
					17,268,712	13,130,080
16	LONG	TFRM	PROVISIONS			
10			sick leave	16(a)	53,987,080	51,828,420
	-		passage benefits	16(b)	14,044,950	12,507,082
					68,032,030	64,335,502
	16(a)	Provi	sion for sick leave			
	- (- /		ing balance		58,077,673	55,570,363
		Less	Payment during the year		(16,576,167)	(6,471,457)
		Add	Provisions for the year		22,191,621	8,978,767
		Closir	ig balance		63,693,127	58,077,673
		Less	Amount falling due within	one year	9,706,047	6,249,253
		Less	Amount falling due more t	han one year	53,987,080	51,828,420
	16(b)	Provi	sion for passage benefits			
		Open	ing balance		19,387,909	17,853,786
		Less	Payment during the year		(9,112,451)	(5,059,463)
		Add	Provisions for the year		11,332,156	6,593,586
		Closir	ig balance		21,607,615	19,387,909
		Less	Amount falling due within	one year*	7,562,665	6,880,827
		Less	Amount falling due more t	han one year	14,044,950	12,507,082

17 LONG TERM BORROWING

Car loan amount falling due more than one year

15,194,623

18 RETIREMENT BENEFIT OBLIGATIONS

All permanent employees of FAREI are members of the FAREI pension fund – a defined benefit scheme managed by the State Insurance Company of Mauritius Limited. The pension fund is wholly funded by the Institute. The retirement benefit obligations have been based on the report submitted by SICOM Ltd.

Employee benefit	Period Ended 30 June 2017 Rs 76,580,634	Year Ended 31 December 2015 Rs 63,601,784
Employee Benefit statement as per IPSAS 25		
Amounts recognised in statement of financial position	on	
at end of year		
Present value of funded obligation	606,595,497	525,805,786
(Fair value of plan assets)	(320,949,887)	(295,583,425)
	285,645,610	230,222,361
Present value of unfunded obligation	<i></i>	·
Unrecognised actuarial gain / (loss)	(209,064,976)	(166,620,577)
Liability recognised in statement of financial		
position at end of year	76,580,634	63,601,784
Amounts recognised in statement of financial		
performance:	24 6 40 405	20 007 240
Current service cost	31,648,495	20,887,318
(Employee contributions)	(14,418,117) 789,779	(8,572,458)
Fund expenses Interest cost		554,977
	51,266,064	34,273,931
(Expected return on plan assets) Actuarial loss / (gain) recognised	(29,245,337) 6,335,555	(21,244,396) 4,285,668
Past service cost recognised	-	4,285,008
Total included in staff costs	46,376,439	30,185,040
	+0,570,455	
Movements in liability recognised in statement of		
financial position:		
At start of year	63,601,784	55,290,578
Total staff cost as above	46,376,439	30,185,040
(Contributions paid by employer)	(33,388,212)	(19,176,401)
(Actuarial Reserves Transferred in)	(9,377)	(2,697,433)
At end of year	76,580,634	63,601,784
Actual return on plan assets	24,946,355	3,645,297
Main actuarial assumptions at end of year:		
Discount rate	6.5%	7.5%
Expected rate of return of plan assets	6.5%	7.5%
Future salary increases	4.0%	5.0%
Future pension increases	3.0%	3.0%
The assets of the plan are invested in funds manage	d by State Insurance (Company of Mauritius
Ltd.		
The discount rate is determined by reference to mark	et vields on honds	

The discount rate is determined by reference to market yields on bonds.

	Period Ended 30 June 2017 Rs	Year Ended 31 December 2015 Rs
Reconciliation of the present value of defined benefit obl	igation	
Present value of obligation at start of period	525,805,786	456,985,745
Current service cost	31,648,495	20,887,318
Interest cost	51,266,064	34,273,931
(Benefits paid)	(38,288,438)	(12,511,870)
Liability (gain) / loss	36,163,590	26,170,662
Present value of obligation at end of period	606,595,497	525,805,786
Reconciliation of fair value of plan assets		
Fair value of plan assets at start of period	295,583,425	274,568,897
Expected return on plan assets	29,245,337	21,244,396
Employer contributions	33,388,212	19,176,401
Employee contributions	14,418,117	8,572,458
Actuarial Reserves Transferred in	9,377	2,697,433
(Benefits paid + other outgo)	(39,078,217)	(13,066,847)
Asset gain / (loss)	(12,616,364)	(17,609,313)
Fair value of plan assets at end of period	320,949,887	295,583,425
Distribution of plan assets at end of period Percentage of assets at end of year	%	%
Government securities and cash	56.6%	58.1%
Loans	4.4%	4.3%
Local equities	15.8%	15.9%
Overseas bonds and equities	22.6%	21.0%
Property	0.7%	0.7%
Total	100%	100%
Additional disclosure on assets issued or used by the		
reporting entity	%	%
Percentage of assets at end of year		
Assets held in the entity's own financial instruments	0	0
Property occupied by the entity	0	0
Other assets used by the entity	0	0
History of obligations, assets and experience adjustments		
Year	2016/17	2015
	Rs	Rs
Currency Fair value of plan assets	320,949,887	295,583,425
•	(606,595,497)	
(Present value of defined benefit obligation) Surplus / (deficit)		(525,805,786) (230,222,361)
Asset experience gain / (loss) during the period	(285,645,610) (12,616,364)	(230,222,361) (17,609,313)
Liability experience gain / (loss) during the period	(36,163,590)	(17,609,513) (26,170,662)
······································		(
Year	2017/18 Rs	
Expected employer contributions	rs 23,028,333	
Expected employer contributions	23,020,333	

		Period Ended 30 June 2017 Rs	Year Ended 31 December 2015 Rs
19	CAPITAL GRANT		
	Opening Balance	33,535,054	23,604,675
	Receipts	48,472,627	31,268,845
		82,007,681	54,873,520
	Expenses	(22,096,538)	(21,338,467)
	Closing Balance	59,911,143	33,535,054
20	TRANSFERS FROM GOVERNMENT		
	Recurrent Grant	418,467,556	248,169,259
	Capital Grant	59,642,194	21,105,610
		478,109,750	269,274,869
21	TRANSFERS FROM OTHER ENTITIES		
	MRC	2,875	135,999
	UNDP	238,894	-
	Small Grant Scheme Australia	-	96,858
	CIAT	148,411	-
		390,180	232,857
22	OTHER REVENUE		
	Sales of guide agricole	168,426	117,448
	Sales of animals	1,869,976	956,780
	Sales of vegetables and produce	5,031,378	3,268,350
	Sales of milk and manure	4,425,801	3,241,735
	Revenue from testing and diagnosis	921,896	440,418
	Training and registration fee	572,855	256,029
	Sundry Income	2,779,123	641,003
	Exchange gain	10,399	123,638
	Interest received	30,325	259,680
		15,810,179	9,305,081
23	WAGES, SALARIES AND EMPLOYEE BENEFITS		
	Salaries and employee benefits	311,214,912	188,887,939
	Employer's Contribution	42,904,854	26,803,099
	Pension Employees Benefit	12,978,850	8,311,206
	Travelling and Transport	41,371,083	26,687,182
		408,469,699	250,689,426

		Period Ended 30 June 2017 Rs	Year Ended 31 December 2015 Rs
24	SUPPLIES AND CONSUMABLES USED		
	Office expenses	3,205,077	2,133,309
	Electricity, water and telephone	8,297,295	5,639,203
	Maintenance and running of vehicles	3,521,438	2,898,913
	Repairs and maintenance	7,258,739	6,199,667
	Uniforms and protective clothing	3,694,977	1,897,169
	Apparatus and supplies of laboratory	1,841,104	1,236,235
	On farm trial	977,126	1,455,335
	Other operating expenses	2,333,915	1,239,119
	Seeds and plantlets	1,867,396	838,928
	Cowfeed, drug and fodder	11,315,727	6,469,024
	Fertilisers and pesticides	1,686,020	1,004,019
	Small tools and equipment	1,319,715	579,887
		47,318,530	31,590,808
25	DEPRECIATION AND AMORTISATION EXPENSE		
	Depreciation (Note 11)	10,715,709	8,794,561
	Amortisation (Note12)	251,292	202,523
	Depreciation	10,967,001	8,997,084
26	OTHER EXPENSES		
	Office expenses and incidental	686,883	405,383
	Rent	3,806,677	2,659,285
	Training of staff	260,819	424,079
	Training of farmers	781,840	213,129
	Security services	10,105,865	6,428,202
	Miscellaneous expenses	218,965	84,834
	Legal and professional fees	388,425	89,600
	Board members fee	781,299	381,211
	Contribution to local organisation (AYC)	105,300	106,610
	Open Day and other celebrations	473,719	189,532
	Insurance	441,618	465,914
	Books and publications	28,805	-
	Income support	46,952,062	17,667,367
	IAEA expenses	407,428	158,885
	MRC expenses	-	119,873
	Loss on disposal of fixed assets		245,570
		65,439,705	29,639,474

27. BUDGET

FAREI presents its financial statements and recurrent budget on an accrual basis. Following the change in the financial year end from 31 December to 30 June, in 2015, expenditure budgets were prepared for six months from January 2015 to 30 June 2015 and subsequently twelve months from July to June.

In order to present the budget information on a comparable basis, the approved budget for 2015/16 was split into two periods: six months from July 2015 to December 2015 and six months from January 2016 to June 2016. The six months budget to June 2016, were aggregated to the 2016/17 budget to get the 18 months estimates so as to align with the 18 months financial statement.

The overall Recurrent Budget deficit is explained by the approval of a lower amount than what is required to meet the financial commitments of FAREI.

28. CONTINGENT LIABILITIES

Bank Guarantee

As at 30 June 2017, the FAREI provided a guarantee of Rs10,000 in favour of the Mauritius Revenue Authority for the issue of a license to operate a still at the Plant Pathology Laboratory.

Section 6: Senior Staff List from January 2016 to June 2017

CHIEF EXECUTIVE OFFICER

Ramesh RAJCUMAR BSc (Actingship w e f 01 January 2015)

ASSISTANT DIRECTORS Extension & Training Crops Livestock

CROP RESEARCH DEPARTMENT

Agronomy Division Principal Research Scientist

Fruit Division Principal Research Scientist

Vegetables & Ornamentals Division Principal Research Scientist

Resource Management Division Principal Research Scientist

Plant Pathology Division Principal Research Scientist

Entomology Division Principal Research Scientist

Tissue Culture Laboratory Laboratory & Nursery Manager

Agricultural Coordinator

Ramesh RAJCUMAR BSc Deovruth ABEELUCK BSc, MSc Micheline SEENEVASSEN PILLAY BSc

Mala GUNGADURDOSS Lic. & Maitrise (Biologie Vegetale)

Nirmala D RAMBURN PG Dip, BSc

Rita D NOWBUTH BSc, MSc

Indoomatee RAMMA BSc, MSc

Shamduth P BENIMADHU BSc (Retired on 22 March 2016) Fazal MAUDARBACCUS BSc (Actingship as from 22 March 2016 and appointed w e f 01 August 2016)

Lalini UNMOLE DMS, BSc, PhD

Kumari Indira D. BOODHRAM BSc (H), Adv. Cert. MSc

Maryse L. WEBB Dip. Agric. & Sugar Tech Dong Liang CHAN SIP SIONG Dip. Agric. & Sugar Tech (Retired on 01 February 2017) Soleman M Daldine JAUNBOCUS BSc MSc (Actingship w e f 16 January 2017 and appointed on 02 May 2017)

LIVESTOCK DEPARTMENT	
Livestock Research Division	
Principal Research Scientist	Parmessur TOOLSEE PG Dip, BSc, MBA
EXTENSION AND TRAINING DEPARTME	
Principal Extension Officer	Shri Swami A M GOOLAUB BSc, MSc
	Siow Voong CHUNG TING WAN Dip. Agric.
	Chia Shim Chong TSE SIK SUN Dip. Agric.
TECHNICAL SUPPORT SERVICES	
Biometry Section	
Principal Biometrician	Rajendr K RAMNAUTH BSc, MSc
Engineering Section	
Principal Agricultural Engineer	Shashikant PANDOO BSc, MSc
Business Development Section	
Senior Extension Officer	Bhanoochun DYALL Dip. Agric., MBA
	(Secondment to MAIFS w e f 01 November 2012)
Research Scientist/Snr Research Scientis	st Mahendre NATHOO DMS, BSc, MSc
ADMINISTRATION	
Finance Section	
Manager, Finance	Bhindoomatee RADHA ACMA
Manager, Manee	
Procurement & Supply Section	
Stores Superintendent	Nadev ORIL (Retired on 05 July 2016)
	Veena Kumari HARDOWAR BSc
	(Actingship w e f 05 July 2016)
Human Resource Section	
Human Resource Manager	Jenisha Bye RAMMA MOHABEER BSc
	(assumed as from 05 May 2017)

Human Resource Officer (Personal)

Administrative Section Administrative Manager Bindeshwaree VEERAPEN DMS, BSc

Arti DUNPUTH ACIS Suzy Dominique AUGUSTE ACIS