



NAPRO

National Agricultural Products Regulatory Office

ANNUAL REPORT

2015



1. FOREWORD

I have the pleasure to present the second Annual Report of the National Agricultural Products Regulatory Office, (NAPRO), a division within the Ministry of Agro-Industry & Food Security. The office took over the regulatory functions of:

- (i) the Mauritius Meat Authority;
- (ii) the Tea Board, and
- (iii) the Tobacco Board;

and started to operate on the 29th November 2013 with some of the redeployed staff of the ex-Tea Board and the ex-Tobacco Board.

During year 2015, this office considered 1,805 applications and delivered 1,345 licences and 460 clearances. These activities generated about Rs 29.3 million compared to Rs 26.6 Million in 2014; the funds were credited to the Government Account.

H. Ramahotar
Officer-in-Charge



2. OVERVIEW

The National Agricultural Products Regulatory Office Act 2013, under which this office, (NAPRO), has been set-up was proclaimed on the 26th November 2013, Proclamation No. 52 of 2013. The office operates as a division within the Ministry of Agro-Industry & Food Security and ensures conformity of regulated products imported, exported and produced in the country.

2.1 Vision

To regulate the activities related to national products effectively, efficiently and economically.

2.2 Mission

- To license stakeholders for production, availability and disposability of regulated agricultural products
- To ensure that stakeholders of a regulated agricultural product obtain a fair share of the proceeds
- To ensure satisfaction of consumers of regulated agricultural products

2.3 Values

- Customer focus
- Creativity
- Team work
- Integrity

2.4 Mandate

Its mandate, as laid out at Section 4 (2) of the NAPRO Act includes the following:

- To control and regulate the import, export, production and sale of regulated products;
- To control and regulate the preparation, processing, packing and manufacturing of regulated products;
- To regulate the activities and premises in connection with the slaughtering of animals;
- To determine the prices at which tea / tobacco leaves may be sold to a producer of tea / tobacco products.



2.5 Section 8 of the NAPRO Act stipulates that no person shall, without a licence:

- (a) operate as a cultivator
- (b) operate as a producer
- (c) kill an animal to obtain meat for sale except on the occasion of a religious ceremony listed under the second schedule.
- (d) construct, operate or maintain a slaughterhouse
- (e) sell, prepare, prepack, process or store meat or meat products
- (f) construct, operate or maintain a place for the preparation, prepacking, processing, storage or sale of meat or meat products
- (g) sell, supply raw hides or skins to tanneries
- (h) operate as a venison dealer or retailer
- (i) sell game venison during the close season

2.6 Regulated agricultural products listed under the First Schedule of the Act are:

- (i) Meat and meat products;
- (ii) Tea and tea products;
- (iii) Tobacco and tobacco products.

2.7 NAPRO has therefore been conferred with the powers to licence:

- (a) Meat shop operators
- (b) Meat processors
- (c) Slaughterhouse Operators
- (d) Importers of meat & meat products
- (e) Storage of meat & meat products
- (f) Tannery operators
- (g) Venison dealers & retailers
- (h) Tea cultivators, manufacturers, importers & exporters
- (i) Tobacco cultivators, manufacturers, importers & exporters



3. ORGANISATION STRUCTURE (STAFF)

The organisation structure with the specific grades has not yet been established. Nonetheless operations are being performed by officers redeployed from the former Tea Board and Tobacco Board. The office is being directed by an Officer in Charge who is under the administrative control of the Supervising Officer of the Ministry.

The Officers & their specific former grades are listed below:

Name	Former Grades
Mr H. Ramahotar	General Manager, Tobacco Board
Mr R. Jalloo	STO, Tobacco Board
Mrs M. D Nunkoo	TO, Tea Board
Mr D. Jharia	OMA, Tea Board
Mrs J. Dhayam	CS, Tea Board
Mrs K. Bungaleea	MSO, Tea Board
Chandra Kumar Ramkorun	Office Attendant/Driver, Tea Board
Mrs Marie Daniele Thompson	Warehouse Worker, Tobacco Board
Naness Sing Daharee	Office Attendant/Driver, Tea Board

4. REVIEW

4.1 Tobacco & Tobacco Products

4.1.1 Registration of Cultivators

No cultivator was registered for the production of leaf tobacco.

4.1.2 Import of Tobacco Products

Tobacco products are imported for the sale on domestic market and duty free outlets, and by incoming passengers for own consumption. So as to minimise dwell time, NAPRO authorised, upon application, the transfer of cigarettes, cigars and cigarillos consignments from the port area to bonded warehouses. Inspections are carried out in the bonded warehouse prior to authorising delivery. The number of clearances and quantity authorised compared to the previous year are presented in the table below:

Product	No. of Clearances		Quantity	
	2015	2014	2015	2014
Cigarettes	222	210	1,105 Mn units	1,067 Mn units
Cigarillos	23	21	350,000 units	272,015 units
Cigars	36	43	695 Kg	1,929.2 Kg
Chewing Tobacco	23	18	2,023 Kg	1,649.0 Kg
Smoking Tobacco	7	7	332 Kg	398 Kg

Imports of cigars dropped by about 64 % while imports of cigarillos and cigarettes increased by about 28 % and 3 % respectively.

4.1.3 Importers of tobacco products

14 importers were registered with this office as follows:

Ammenah Ebrahim
 Flemingo distribution Ltd
 Flemingo Duty Free Mauritius Ltd
 Flemingo MSCL Duty Free
 Grays INC Ltd
 Hajee Ahmed Darvesh
 Indigo Marketing Company Ltd
 IOI Tobacco Traders Ltd
 Ishrat collection Ltd



Kashish Interlectual Property Group
Mauritius Duty Free Paradise Ltd
New Seasons Overseas Ltd
Scott & Company Ltd
TNS Tobacco Company Ltd

4.1.4 Destruction of tobacco products

At the request of importers and/or the Mauritius Revenue Authority, Officers of the Division inspected consignments listed for destruction and authorised the destruction of 503,280 cigarettes. They were also present at the time and place of ploughing-in or incineration.

4.2 Tea & Tea Products

4.2.1 Registration of Cultivators

During contractual tea year 2014-15, (1st July 2014 to 30th June 2015), 925 cultivators and 453 métayers were registered with this office. 319 formed part of the 6 Cooperative Societies, 10 in an Association and the rest were registered as free planters as shown hereunder. Together, they produced 7,371 Tonnes of green leaves which were delivered to the 3 factories. 650 Hectares were under tea cultivation during the period under review.

The number of cultivators and métayers for the crop 2014-2015 were as follows:

	Number of cultivators
Cooperative Societies	
Amarnath	60
Bois Cheri	98
Caledonia	53
Grand Bois	67
La Flora	6
Nouvelle France	35
	319
Association	
Midlands Dam	10
Metayers	
Societe de Plantation de Bois Chéri	417
Corson Tea Estate Co Ltd	36
	453
Free Cultivators	
Societe Usinière de Bois Chéri	1
Corson Tea Estate Co Ltd	329
La Chartreuse Tea Manufacturing Co Ltd	125
Other free cultivators	133
	588
Estates	8
TOTAL	1,378

Tea plantations are located in the following regions:

Region	Area (Ha)
Curepipe	11
Forest Side	6
Nouvelle France	234
Union Park	4
La Flora	43
Grand Bois	82
Bois Chéri	270
Total	650

The area under tea cultivation decreased by about 22 Ha compared to the previous year as some métayers of Société des Plantations de Bois Cheri had abandoned their plantations.

4.2.2 Tea Factories

Three tea factories were in operation namely:

Corson Tea Estate Ltd

La Chartreuse Tea Manufacturing Co. Ltd.

Société Usinière de Bois Cheri

7,371 tonnes of green leaves were received by the factories during the contractual tea year 2014-15 and the amount of made tea were as follows:

Factory	Weight of green leaf (Kgs)	Tea made (Kgs)
Corson Tea Estate Ltd	1,646,525	295,155
La Chartreuse Tea Manufacturing Co. Ltd.	2,983,701	592,753
Société Usinière de Bois Cheri	2,741,719	549,594
Total	7,371,945	1,437,502

A reduction in green leaf production has been noted compared to the last crop (2013-2014) when 8,217,608 Kgs were produced.

The three tea producers manufactured about 1,438 tonnes of black tea that was mainly sold on the domestic market. A reduction in production of about 87 tonnes has been noted compared to previous year.

4.2.3 Importation of Tea

The quantity of tea and tea products imported during year 2015 and the previous year are as follows:

Product	Quantity (Kg)	
	2015	2014
Black Tea for blending purposes	85,000	20,045
Green Tea (bulk)	5,286	7,390
Other Tea Products	15,008	12,530
Total	105,294	39,965

4.2.4 Export Clearances

During the year 124 export clearances were issued for the export of 44,577 Kg tea products.

	2015	2014
No of Export Clearances	117	124
Quantity (kgs)	65,221	44,577

4.2.5 Price of Tea Leaves

In accordance with Section 34 of the NAPRO Act, this office determined the rates for the First Partial Payment (FPP) of the final price payable and the final price payable to a cultivator or to a métayer for green leaves delivered during contractual year 2014-2015. The rates are as follows:

(i) First Partial Payment (FPP), Crop year 2014/ 2015

Factory		FPP (Rs/Kg)
Société Usinière de Bois Cheri	Cultivators	2.25
Société des Plantations de Bois Cheri	Metayers	1.75
La Chartreuse Tea Manufacturing Co. Ltd.	Cultivators	2.25
Corson Tea Estate Ltd	Cultivators	2.25
	Metayers	1.75

(ii) Final Price, Crop year 2014/ 2015

Producer/Cultivator	Final Price per kg of green leaf supplied	
	Cultivator	Métayer
Corson Tea Estate	15.0490	13.1190
La Chartreuse Tea Manufacturing Co Ltd	14.7730	-
Société Usinière de Bois Chéri	14.9060	
Société des Plantations de Bois Chéri	-	12.0305

(iii) Minimum Interim Price (MIP), Crop year 2015/ 2016

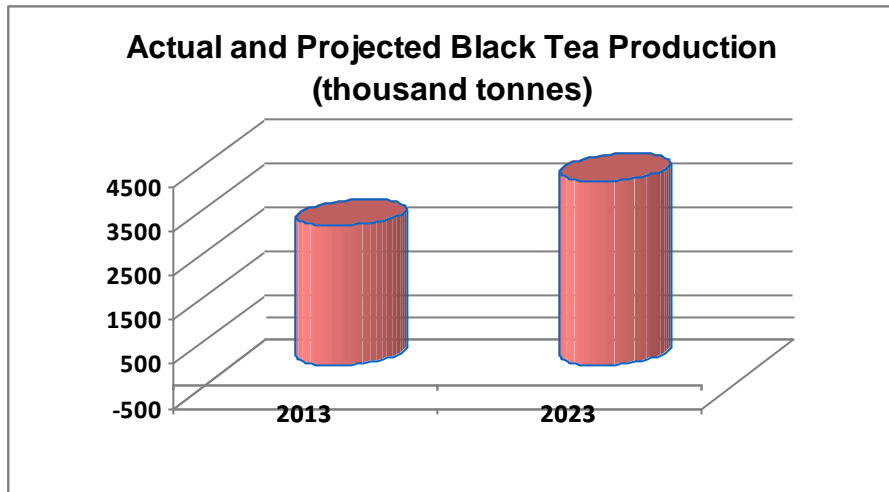
The Minimum Interim Price for crop year 2015 – 2016 was determined in June 2015. To provide for the increase in the cost for plucking, the prices were set as follows:

Producer of tea products (Manufacturer) to Cultivator (Planter & Cooperative Society)	-	Rs. 8.00 per kilo
Cultivator to Metayer	-	Rs. 7.50 per kilo

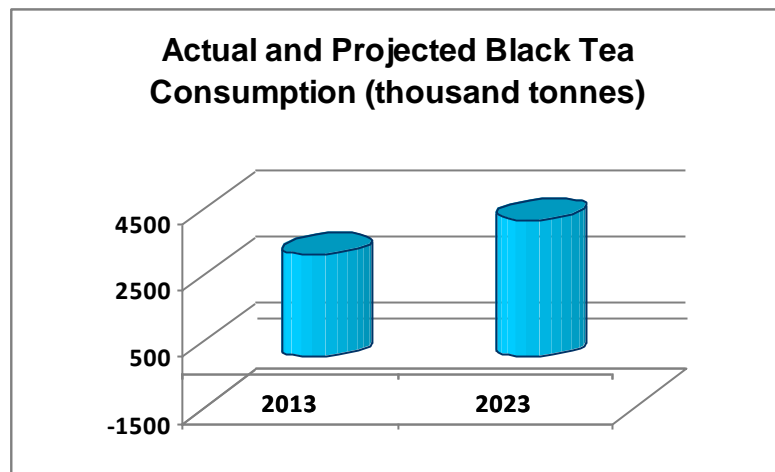
4.2.6 Global Production Trend

World tea production (Black, Green and Instant) increased significantly by 6 percent to 5.07 million tonnes in 2013. Growth in world output was due to major increases in the major tea producing countries. China remained the largest tea producing country with an output of about 1.9 million tonnes, accounting for more than 38 percent of the world total, while production in India, the second largest producer, also increased to reach 1.2 million tonnes in 2013. Output also increased in the two largest exporting countries where production reached 436,300 tonnes in Kenya and 343,100 tonnes in Sri Lanka. Apart from the 7.5 percent decline in Vietnam to 185,000 tonnes, production in other major producing countries increased: Indonesia to 152,700 tonnes; Bangladesh to 66,200 tonnes; Uganda to 58,300 tonnes; Malawi to 46,500 tonnes; Tanzania to 32,400 tonnes; and Rwanda to 25,200 tonnes. Other producers in Africa recorded slight increases: Burundi to 8,800 tonnes; Zimbabwe to 8,500 tonnes; and South Africa to 2,500 tonnes.

According to FAO report on World tea production and trade (2015), black tea is projected to grow at 2.9% annually to reach 4.17 million tonnes by 2023. Stronger growth in consumption in producing countries is unlikely to offset declines in traditional import markets in the next 10 years.



Black Tea Consumption



These two projections suggest that supply and demand for black tea will be in equilibrium in the medium term on the international level. However, caution must be exercised and efforts made to expand consumption.

4.2.7 Meat & Meat Products

Meat means the carcass, offal or other edible parts of animals but does not include the edible parts of a bird, fish, hare or rabbit. Meat product means any product derived from the processing of meat.

4.2.8 Meat Shops

The NAPRO Act stipulates that no person shall sell fresh meat except from the premises in respect of which a licence has been issued.

During the year, 75 licences were issued to meat shop operators for sale of beef, mutton, goat, venison and pork meat.

4.2.9 Meat Processors

3 licences were issued for processing of pork meat during the period under review.

4.2.10 Slaughterhouse

Slaughterhouse means premises or any other place used to slaughter or kills an animal to obtain meat for sale. Section 9 of the NAPRO Act specifies that no person shall slaughter an animal or cause an animal to be slaughtered at a place other than at the abattoir or in a slaughterhouse approved by NAPRO. Hence any person who intends to operate a slaughterhouse needs to apply to NAPRO for a licence.

One slaughterhouse with 3 separate slaughter halls was registered.

4.2.11 Venison Dealers

The NAPRO Act requires venison dealers and retailers to be licenced by NAPRO and in addition no person shall operate as a Venison Dealer or Venison Retailer or sell Game Venison during the close season without a licence.

Section 14 of the Act further stipulates that no Venison Dealer shall, except with approval of NAPRO, sell venison to any person other than to a Venison Retailer. No Venison Retailer shall buy venison except from a Venison Dealer. No person shall without lawful authority have in his possession game venison during the close season and where he is a Venison Dealer or Retailer, have venison at any place other than his place of business or a place approved by NAPRO. It is an offence therefore to deal in venison without a valid licence and to be in possession of venison which has been killed or is thought to have been killed illegally.



For the year 2015 the number of operators licensed were:

Number	Purpose
36	Game venison dealers
6	Venison dealer's close season
13	Venison dealer
20	Venison retailer

4.3 Other activities

Site Visits

Officers carried out site visits and reported for applications received for land conversion. Reports on 11 sites were submitted to the Land Conversion Unit of the Ministry.

4.4 World Food Day

NAPRO participated at the World Food Day 2015 celebrations, organised by the parent Ministry, at the Sir Seewoosagur Ramgoolam Botanical Garden from 16th to 18th October 2015. Various exhibits as per the theme "**Social Protection and Agriculture: Breaking the Cycle of Rural Poverty**" chosen by the Food and Agricultural Organisation (FAO) to commemorate the World Food Day were displayed.

4.4 Revenue

The operations of the Division generate revenue and in the course of year 2015, some Rs 29,383,398 were received as application, clearance and licence fees.

NAPRO Act 2013, First Schedule (Regulation 3) PART I - LICENCE FEES

		Application fees (Rs)	Clearance fees (Rs)
1	Application fees for imports	336,000	-
2	Importation of -		
(a)	Cigarettes		22,114,880
(b)	Cigarillos		7,000
(c)	Leaf tobacco, including cut-rag		-
(d)	Smoking tobacco		16,600
(e)	Cigars		34,750
(f)	Other tobacco products		222,640
(g)	Black tea products for blending purposes		1,700,580
(h)	Green tea products in pk of 125g or above		211,520
(i)	Black tea products, green tea products & other tea products not exceeding 2kgs and intended for-		
	(i) for own consumption		-
	(ii) for gift, or		300
	(iii) to be used as sample		-
(j)	Other tea products		4,506,600
(k)	Meat and meat products		-
3	Export of tea products		48,000
4	Duplicate of any clearance		-
	Total	336,000	28,862,870



5 FUTURE PLANS & OBJECTIVES

In the short term, this office aims at strengthening its programmes to ensure that its operations are carried out efficiently, effectively and economically.

5.1 Strategic plan 2015 – 2017

The present government policy is to promote local tea production towards a sustainable tea industry. Local green leaf production is about 7,371 tonnes and has been used for the manufacture of about 1,437 tonnes of tea. Schemes have been prepared to revitalise the sector so as to boost up production to about 1,600 tonnes in the short term.

Tea is currently subject of renewed interest by Government and foreign investors. There is therefore a need to increase production to meet demand on the domestic market leaving a small amount for markets where consumers are looking for Mauritian tea. This presents opportunities to generate employment for growers and factory operators.

However, several strategic issues need to be addressed and steps taken to assist the re-vitalisation of the tea industry and its long term sustainability, as follows:

- i. Establishment of a nursery to produce tea plantlets for in-filling, replacement of old plantations and starting fresh ones.
- ii. Increasing production of green tea leaf, through increase in yield and productivity and provision of an estimated 84 hectares of State Lands in the ex-tea belt to establish fresh plantations.
- iii. Extension support to cultivators for the adoption of good agricultural practices so they can achieve higher yields and better leaf quality.
- iv. Current tea manufacturing technologies must be reviewed, and new technologies developed to improve quality of made tea and variations thereof.
- v. Improve yields through schemes for pruning and purchase/application of fertilizers in a timely manner.
- vi. Introduction of “labour saving devices” to reduce production costs.

Statistics for the year 2015
LICENCE FEES

	2015			
	No. of licences	Application fees (Rs.)	Licence fees (Rs.)	Total (Rs.)
Tea nursery licence	-	-	-	-
Tea seed garden licence	-	-	-	-
Cultivation of green leaf licence	1,178	-	41,968	41,968
Tea blending plant licence	4	800	21,040	21,840
Tea factory licence	3	600	17,080	17,680
Tea packing plant licence	6	1,200	31,040	32,240
Licence for meat shop	75	15,000	7,500	22,500
Game venison dealer	36	7,200	10,800	18,000
Venison dealer's close season	6	1,200	1,200	2,400
Venison dealer	13	2,600	6,500	9,100
Venison retailer	20	4,000	10,000	14,000
Slaughterhouse operator	1	200	1,000	1,200
Producer of meat products	3	600	3,000	3,600
Duplicate of any licence	-	-	-	-
TOTAL	1,345	33,400	151,128	184,528
Export of tea products	9	-	48,000	



	2015	
	Application fees Rs	Clearance fees Rs
1 Application fees for imports	336,000	
2 Importation of -		
(a) Cigarettes		22,114,880
(b) Cigarillos		7,000
(c) Leaf tobacco, including cut-rag		
(d) Smoking tobacco		16,600
(e) Cigars		34,750
(f) Other tobacco products		222,640
(g) Black tea products for blending purposes		1,700,580
(h) Green tea products in pk of 125g or above		211,520
(i) Black tea products, green tea products & other tea products not exceeding 2kgs and intended for-		
(i) for own consumption		-
(ii) for gift, or		300
(iii) to be used as sample		-
(j) Other tea products		4,506,600
(k) Meat and meat products		-
3 Export of tea products		48,000
4 Duplicate of any clearance		-
TOTAL	336,000	28,862,870
	Grand Total	29,198,870
		29,383,398

Area Licensed in 2014 and 2015

Licences	2014		2015	
	Number of individuals	Area (Arpents)	Number of individuals	Area (Arpents)
Cultivator	766	929.334	792	949.03
Cultivator - metayer Corson Tea Estate Co Ltd Societe des Plantations de Bois Cheri	36	29.47	36	29.98
	399	401.15	350	355.41
Total	1201	1,359.95	1178	1,334.42

Tea Exported in 2014 and 2015 - By Destination

Destination	2014			2015		
	No of Export Permits issued	Quantity Kg	% of Total Quantity	No of Export Permits issued	Quantity Kg	% of Total Quantity
Australia	1	83.0	0.13	2	98.4	0.22
Belgium				1	0.3	0.00
Botswana	2	44.9	0.07	-	-	-
China	3	20,000.0	30.66	1	2,000.0	4.49
France	14	6,455.3	9.90	14	1,269.0	2.85
Freeport	45	29,995.3	45.99	53	36,314.0	81.46
Luxembourg	3	18.0	0.03	-	-	-
Madagascar	1	1.0	0.00	-	-	-
Mauritius Duty Free Paradise	33	3,606.0	5.53	43	4,070.9	9.13
Mayotte	1	72.0	0.11	-	-	-
Reunion	8	4,735.8	7.26	6	741.1	1.66
Seychelles	4	198.0	0.30	-	-	-
South Africa	1	7.6	0.01	-	-	-
United Kingdom	1	4.0	0.01	3	83.6	0.19
Total	117	65,220.9	100.00	123	44,577.3	100.00

CLEARANCE FEES (2014 and 2015)

	2014		2015	
	Application fees Rs	Clearance fees Rs	Application fees Rs	Clearance fees Rs
1 Application fees for imports	297,000	-	336,000	
2 Importation of -				
(a) Cigarettes		21,359,760		22,114,880
(b) Cigarillos		5,940		7,000
(c) Leaf tobacco, including cut-rag		-		
(d) Smoking tobacco		20,000		16,600
(e) Cigars		99,600		34,750
(f) Other tobacco products		181,390		222,640
(g) Black tea products for blending purposes		401,220		1,700,580
(h) Green tea products in pk of 125g or above		307,040		211,520
(i) Black tea products, green tea products & other tea products not exceeding 2kgs and intended for-				
(i) for own consumption		-		-
(ii) for gift, or		-		300
(iii) to be used as sample		-		-
(j) Other tea products		3,758,400		4,506,600
(k) Meat and meat products		-		-
3 Export of tea products		57,000		48,000
4 Duplicate of any clearance		-		-
TOTAL	297,000	26,190,350	336,000	28,862,870

Pension Funds

Following repeal of the Tea Industry Control Act and the Tobacco Production and Marketing Act, the SICOM continues to manage the pension funds of the ex-Tea Board and the ex-Tobacco Board but as closed funds. The statements of fund balance as at 30 June 2015 were as follows:

(i) Tea Board Pension Fund

	Rs.	Rs.
Market Value of Fund at 01 July 2014		32,270,803.77
Net Investment Income	1,095,788.18	
Unrealised Gain/ (Loss)	<u>223,864.83</u>	
		1,319,653.01
		<u>33,590,456.78</u>
LESS:		
Pension	(4,059,317.67)	
Actuarial Reserves Transferred	(2,786,017.00)	
Retirement Gratuity	<u>(1,626,395.00)</u>	
		<u>(8,471,729.67)</u>
Market Value of Fund at 20 June 2015		<u>25,118,727.11</u>

(ii) Tobacco Board Pension Fund

	Rs.	Rs.
Market Value of Fund at 01 July 2014		105,613,988.11
Net Investment Income	4,086,743.59	
Unrealised Gain/ (Loss)	<u>777,539.67</u>	
		4,864,283.26
		<u>110,478,271.37</u>
LESS:		
Pension	(7,241,486.62)	
Actuarial Reserves Transferred	(5,248,151.00)	
Retirement Gratuity	(664,650.00)	
Death Gratuity	(36,419.31)	
Stale Cheques	<u>(16,377.44)</u>	
		<u>(13,207,084.37)</u>
Market Value of Fund at 20 June 2015		<u>97,271,187.00</u>