



**PPECB (Perishable
Products Export
Control Board)**

**STRATEGIC PLAN
FOR THE FISCAL
YEARS 2016 to 2020**

February 2016

FOREWORD

The PPECB is committed to support Government in its strive to achieve its national priorities of creating employment, promoting food security and economic growth. Within the confines of its mandate, the PPECB's strategic plan has been aligned with Government's imperatives and will focus on achieving the following priorities over the medium term. The plan has been formulated in consultation with relevant stakeholders and is hereby endorsed by the PPECB's Accounting Authority.

It is thus my privilege as Chairperson of the Board of the PPECB to write the foreword and endorse the 5 year strategic plan.

The Board is acutely aware that the PPECB operates in a global context but with significant local impact. Current world events, coupled with the prevailing climate of political volatility, slow economic growth, and on-going social challenges make it difficult to predict the organisation's future and thus to draft a fixed 5 year strategic plan. To respond to the current environment of volatility the PPECB Board has approved a plan that focuses on building a change agile organisation that can respond quickly to negative environmental shifts, whether it is political, economic or social in its strategic framework and plan.

The Board met in 2015 to review the PPECB's performance against the stated strategic plan and to align the plan where required, some of the key outcomes in terms of the strategic plan are the following:

- The Board resolved to add transformation as a fourth objective in the strategic plan of the PPECB. This was done to ensure that in order for the PPECB to play a significant role in transformation the strategic stream would get the requisite recognition and resources such a programme requires.
- The Board furthermore agreed that research and development should be developed as a key competency in the PPECB. The PPECB must excel at developing an intimate understanding of the fruit industry, global trends and our customers to contribute to a sustainable policy environment for food safety, phytosanitary matters, product quality as well as cold chain services and ultimately a competitive fruit industry.

The Board has embraced a strategy to focus on ensuring that the PPECB enhances export competitiveness by focusing on the enhancement of the integrity of the export certificate through increased usage of technology, improved food safety management and to provide a suite of services to support and enhance the economic and social transformation imperatives highlighted in the National Development Plan.

The strategic plan deals in detail with how the various strategic objectives are responded to through our various main programme deliverables. The PPECB's main programmes are Corporate Services, Operational Services, Food Safety Services and Transformation and Development, they furthermore contain detailed sub-programmes with clear deliverables, which are monitored and evaluated on a quarterly basis to ensure adequate progress and achievement.

All that remains for me is to wish the CEO and Executive Management team well with the effective execution of the strategic plan. The current Board's tenure will expire on 31 August 2016, and I wish to extend my sincere gratitude to the Board members for their dedication and commitment in ensuring that the PPECB is well positioned to deliver on its mandate. I am indeed privileged as Chairperson to have had a Board with well blended skills and expertise who could guide and support the organisation through turbulent times. The PPECB is certainly well positioned for the future.

CONTENTS

FOREWORD	2
CONTENTS	3
PPECB OFFICIAL APPROVALS:	4
GLOSSARY OF ACRONYMS & ABBREVIATIONS	5
PART A : STRATEGIC OVERVIEW	7
1. CONTEXTUAL ANALYSIS	7
2. VISION, MISSION, VALUES.....	9
3. LEGISLATIVE AND POLICY MANDATES	10
4. POLICY MANDATES	10
5. SITUATIONAL ANALYSIS	10
6. STRATEGIC OUTCOME ORIENTED GOALS	13
PART B : PROGRAMME OVERVIEW.....	15
1. PROGRAMME 1: CORPORATE SERVICES	15
2. PROGRAMME 2: OPERATIONAL SERVICES	16
3. PROGRAMME 3: FOOD SAFETY SERVICES	16
4. PROGRAMME 4: TRANSFORMATION AND DEVELOPMENT SERVICES.....	17
PART C : RISK MANAGEMENT.....	19
PART D : ORGANISATIONAL PERFORMANCE TARGETS.....	221
CONCLUSION	25

PPECB OFFICIAL APPROVALS:

Mr. Angelo Petersen

PPECB Chairperson of the Board

Signature:



Mr. Lucien Jansen

Chief Executive Officer

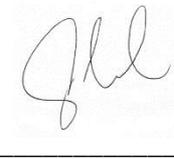
Signature:



Mr. Johan Schwiebus

Chief Financial Officer

Signature:



Date: February 2016

GLOSSARY OF ACRONYMS & ABBREVIATIONS

AETP	Agricultural Export Technologist Programme
APAP	Agricultural Policy Action Plan
APHIS	Animal and Plant Health Inspection Services of USDA
APS	Agricultural Product Standards Act
ARC	Agricultural Research Council
B-BBEE	Broad Based Black Economic Empowerment
BRC	British Retail Consortium
BRICS	Brazil Russia India China South Africa
CAPEX	Capital Expenditure
CBS	Citrus Black Spot
CPI	Consumer Price Index
CPUT	Cape Peninsula University of Technology
CRI	Citrus Research Institute
DAFF	Department of Agriculture, Forestry's and Fisheries
EC	European Community
EU	European Union
Global GAP	Global Good Agricultural Practices
HACCP	Hazard Analysis and Critical Control Point
HPLC	High performance liquid chromatography
ICT	Information Communication Technology
IPAP	Industrial Policy Action Plan
ISO	International Standard Organisation
KPA	Key Performance Areas
KPI	Key Performance Indicator
LEAF	Linking Environmental and Farming

MAFF	Ministry of Agriculture, Forestry and Fisheries (Japan)
MRL	Maximum residue level
MTEF	Medium Term Expenditure Framework
MTSF	Medium Term Strategic Framework
NAMC	National Agricultural Marketing Council
NDP	National Development Plan
NGO	Non Governmental Organisation
NGP	National Growth Path
NPE	National Public Entities
NQF	National Qualification Framework
PAIA	Promotion of Access to Information Act
PFMA	Public Finance Management Act
POPI	Protection of Personal Information Act
PPECB	Perishable Products Export Control Board
RISCO	Risk Management Committee
S&T	Subsistence & Travel
SAGAP	South Africa Good Agricultural Practices
SLA	Service Level Agreement
SO	Strategic Objective
SOE	Stated Owned Enterprises
SOP	Standard Operation Procedure
UPLC	Ultra high performance liquid chromatography
USDA	US Department of Agriculture

PART A: STRATEGIC OVERVIEW

1. CONTEXTUAL ANALYSIS

During the 2016 State of the Nation Address (SONA), President Zuma reminded us of the Global Economic challenges we are currently facing and the impact it has on South Africa. He did however reiterate that South Africa remains an attractive destination for prospective investors and should be positioned as such. The President further reminded us of the “Nine Point Plan” introduced in 2015, directed to address sluggish economic growth. In addition to the above, the following specific focus areas of the SONA can be highlighted:

- The development of Public Private Partnerships
- Investment into Information and Communication Technology (ICT) infrastructure
- Creation of jobs through innovation
- The introduction of cost cutting measures
- The monitoring of performance of Organs of State
- Intra Africa trade
- Increase exports
- Skills development

It is clear that Government will remain focussed on measures to transform and stimulate the South African economy. The Industrial Policy Action Plan (IPAP) and the National Development Plan (NDP) are now more relevant than ever in order to achieve these objectives. The approval of DAFF’s programmatic response to the NDP, namely the Agricultural Policy Action Plan (APAP) is very specific in agriculture’s role over the next few years. The APAP specifically notes the following:

- An annual increase in gross value add for Agriculture, Forestry and Fisheries
- Increase in the number of small holder farmers
- Increase the number of jobs by 1 million in 2030
- Increase the contribution of processed products to manufacturing annually
- Reduce households vulnerable to food insecurity
- Percentage Biomass increase of stock levels in Deep water hake
- Reduced vulnerability and risks associated with climate change impacts

With further reference to the President’s “Nine Point Plan”, the Revitalisation of Agriculture and the Agro-processing Value Chain; and the Role of State Owned Entities are of particular importance.

Looking at the revitalisation of agriculture, it is reported that the number of commercial farming units in primary agriculture has reduced significantly over years – 120 000 in 1950 to 39 000 in 2014. As a result, less people has been employed within this sector. It should however be noted that the decline in farming units is mainly as a result of an increase in the size of farms and is not necessarily a reduction in production area. This is further confirmed by the annual growth in fruit export volumes, showing a 13% increase over the past 5 years.

The European Union (EU) remains South Africa’s main export destination for perishable produce, with roughly 36% of all fresh fruit going to this market. This trend is however expected to change, as greater focus is being placed on exports to Asia in an attempt to diversify and so mitigate related risks. The 5 year average reflects that 36.3% of exports going to the EU and 16.7% to Asia. During the 2014/2015 season 35% of exports went to the EU and 18.1% to Asia. Although not the only factor, the continuing Citrus Black Spot (CBS) saga in the EU has been a stark reminder of how our access to international markets can have far reaching implications on South African trade.

During 2015, a total of 15 CBS interceptions were recorded, which is a huge improvement on the 28 interceptions reported during the 2014 season. The (Food and Veterinary Office – FVO) visit indicated that the controls introduced by South Africa (Government and Industry) payed off, as it was regarded as sufficient to reduce the risk of CBS being spread beyond the borders of South Africa. It is also a relief to report that **no** additional measures will therefore be introduced for the 2016 season.

During 2015 and the beginning of 2016 has seen South Africa battling one of the worst droughts and continuous heat waves in decades. The impact on fresh produce has been dire, with reduced export volumes due to smaller fruit and below par yields. The biggest concern remains the shortage of grain which poses a real threat of food security. It was reported that South Africa may run out of grain by the end of April 2016. Should this happen, circa 4 to 6 million ton of grain needs to be imported at a less favourable exchange rate, putting further pressure on South African's inflation. As a result of less produce being exported, the PPECB will face a loss of income to the value of nearly R20 million during the 2015/2016 fiscal year. It is further reported that the real impact of the drought will still be felt years from now.

On the positive side, the weak rand makes it more attractive for South African exporters to supply foreign markets, slightly reducing the impact of the reduced export volumes. South Africa however remains a nett importer and the weak rand will therefore put continuous pressure on the already battling economy.

The PPECB further takes note of the President's view of the role of State Owned Entities (SOE's) like the PPECB. It is believed that Government's role is predominantly policy making and should rely more on SOE's to implement its policy's. To this end, the PPECB has applied to play an even greater role in supporting the Department of Agriculture, Forestry and Fisheries (DAFF) in delivering a comprehensive inspection and food safety service. As a National Public Entity, the PPECB has a national footprint and defined competencies to further support Government. The PPECB will therefore continue to invest in its analytical laboratory by increasing its scope of analyses and service offering over the medium term. This initiative is also well aligned and in support of the quest to increase exports by ensuring compliance with international food safety standards thereby keeping South African produce competitive.

One of the enabling milestones of the NDP is for South Africa to '**play a leading role in continental development and economic integration**'. To this end, the PPECB has responded and has since entered into a service level agreement to assist Namibian authorities to establish an inspection body similar to the services rendered by the PPECB. During the 2015 grape season, the PPECB deployed 15 inspectors in Namibia to assist and train Namibian counterparts (Agro-Marketing and Trade Agency - AMTA) on relevant inspection methods.

Another NDP and APAP - articulated imperative related to the agricultural sector is the '**realisation of a food trade surplus, with one third produced by small-scale farmers and households**'. The PPECB is continuing with its efforts to up-skill small holder farmers in collaboration with sister SOE's and the DAFF. Initiatives are specifically focussed on General Agricultural Practices, Food Safety and Quality. The ensuing year will see the PPECB increasing its number of farmers trained and making concerted efforts to collaborate with other entities in consolidating efforts and fast-tracking the entity's transformation agenda.

Over the past 3 years, the PPECB has made significant investment in its national ICT infrastructure and converted from a manual inspection platform to an electronic platform. For this purpose, more than 300 inspectors have been issued with tablets to date. During 2016/2017 fiscal year, the entity will continue to invest on this front by adding more modules to the electronic platform taking it a step closer to the ultimate goal of electronic certification. This initiative is directed at speeding up verifications, reducing the use of paper, increasing efficiencies and keeping South Africa competitive internationally.

Finally, in addition to the above, the entity will introduce the following initiatives during the 2016/2017 fiscal year:

- Research and Development (R&D) will be re-introduced in the organisation. It is essential to keep abreast with the latest developments in an attempt to remain relevant and operate more efficiently. Although R&D and innovation will be driven as separate business units within the PPECB, the units have been structured to support one another in order to maximise output.
- Finally, the PPECB is committed to contribute the transformation agenda of Government. The PPECB Board has now added Transformation as a strategic objective to the existing objectives. Transformation will be driven internally and externally, mainly capitalising on the PPECB's core competencies.

This strategic plan remains mindful of the fact that the PPECB, as a State Owned Entity, is mandated to execute two mandates. Firstly, the inspection of listed agricultural produce in terms of the Agricultural Product Standards Act. Secondly, to oversee the export of perishable produce by ensuring adherence to cold chain protocols, among other things.

During a strategic session held in November 2015, the PPECB Board highlighted the following focus areas:

- To review the current inspection methodology and align it with global trends;
- To add Transformation as a 4th strategic objective and define it within the context of the PPECB;
- To re-introduce Research and Development into the PPECB in order to keep abreast with latest development;
- To re-position the PPECB laboratory in order to play a greater role in supporting government and the export industry;
- To continue with the investment in ICT in order to create a stable infrastructure to support mobile technology

Finally, the PPECB as an organisation must evolve with times without losing focus of its core mandates. The **CEO and the Executive Team** need to ensure that the PPECB remains an employer of choice; that it adopts current technology to streamline its operations; that it adheres to the PFMA and the corporate governance expected of it as a national public entity; that it remains financially sustainable in a volatile agricultural environment; and that it continues to have a strong stakeholder focus. The accompanying strategy is therefore required to address all of the above issues that encompass the PPECB as an ongoing business concern.

2. VISION, MISSION, VALUES

The **VISION** of the PPECB is to enable its customers to be the preferred suppliers of perishable products worldwide.

This vision is supported by the PPECB's **MISSION** to empower its people to execute our mandates to ensure the integrity to their customers' products.

This mission is further underpinned by the PPECB **VALUES** of:

Professionalism

We aspire to doing the job right the first time, while displaying a positive attitude towards our relationships with our clients, colleagues and stakeholders.

Accountability

We pro-actively assume responsibility for all our deliverables and areas of influence. This is done by creating and maintaining an environment which fosters guidance and empowers of the employees to take ownership of their actions.

Passion

We are driven and committed to continually serve our stakeholders with energy and enthusiasm.

Integrity

We uphold the highest standards of honesty, impartiality and confidentiality in the execution of our duties, services and stakeholder relationships.

Confidence

We believe in our people, processes, proficiency and in depth knowledge which enables us to deliver our duties and services with conviction and excellence.

Collaboration

We actively engage in building and maintaining relationships in which we share information and exchange innovative ideas with all stakeholders.

3. LEGISLATIVE AND POLICY MANDATES

The PPECB is mainly governed by the Perishable Products Export Control Act 9 of 1983 and the Agricultural Product Standards Act 119 of 1990. In terms of this legislation, the PPECB is responsible to oversee the export of perishable produce. This is achieved through the inspection of listed agricultural products and management of the cold chain.

Both the PPEC Act and the APS Act are currently under review and have been published for public comment. The PPECB is hopeful that the amended legislation will be passed by parliament during the latter part of 2016. To date, there have been no significant changes to legislation impacting directly on the mandate of the PPECB.

4. POLICY MANDATES

Informed by the National Growth Path (NGP) and the National Development Plan (NDP), the Medium Term Strategic Framework (MTSF) places great emphasis on small farmer development and rural employment, among other things.

As subject matter experts for the inspection for listed agricultural products, the management of the cold chain and food safety certification targeted at the export market, the PPECB is committed to support Government in achieving these objectives.

The PPECB has formulated policies that will promote and facilitate achievement of these objectives and has further introduced programmes directing organisational resources accordingly.

5. SITUATIONAL ANALYSIS

5.1 Expenditure Framework

The 2016/17 budget is informed by four main drivers namely: (1) the delivery of statutory services; (2) the execution of the Board approved strategic plan; (3) the mitigation of the main risk areas in the PPECB's service delivery priorities and; (4) moving towards electronic export certification.

The spending focus over the medium term will be on continued service delivery without compromising the integrity of product quality and continued contribution towards social responsibility in building capacity and assisting small farmers as well as focusing on establishing a professional and well trained staff compliment that can add value to the perishable export industry.

5.2 Expenditure Trends

Between 2012/13 and 2015/16, total expenditure grew, from R198 million to R282 million at an average of 12.8% per annum. The reasons for these increases are mainly due to expenditure residing mainly in employment, travel and accommodation costs, all of which increased annually in excess of CPI, coupled with continued pressure to increase staff resources to ensure compliance to DAFF mandate and mitigate risks such as the black spot issue currently facing the citrus industry. Computer costs are also increasing over the MTEF period due to the mobile technology strategy adopted by the PPECB in order to enhance the competitiveness of the South African agriculture industry

From 2016/17, expenditure is set to increase for the next five years by an average annual rate of 10.6% to R492 million in 2020/21. It is assumed that the activity base used in 2015-16 will track the growth in exports. The activity base refers to the operational resources deployed, kilometres travelled, and relief

duty days. Computer expenses increase by an average of 12% due to the introduction of mobile technology in PPECB's business.

5.3 Revenue trends

It is assumed that, between 2016/17 and 2020/21, total income will increase by 11% over the planning period. The 11% increase is based on an initial 8% inflationary adjustment to levies and 3% growth rate of in product volumes expected.

The volume growth on statutory services projects citrus fruit inspected volumes increasing by 2% per annum, and deciduous fruit inspected volumes by 3% per annum. A 3% growth is assumed for all other products and services. Interest income is assumed to marginally reduce due to shortfalls in the first two years. Interest rates are expected to remain firm.

5.4 Personnel Information

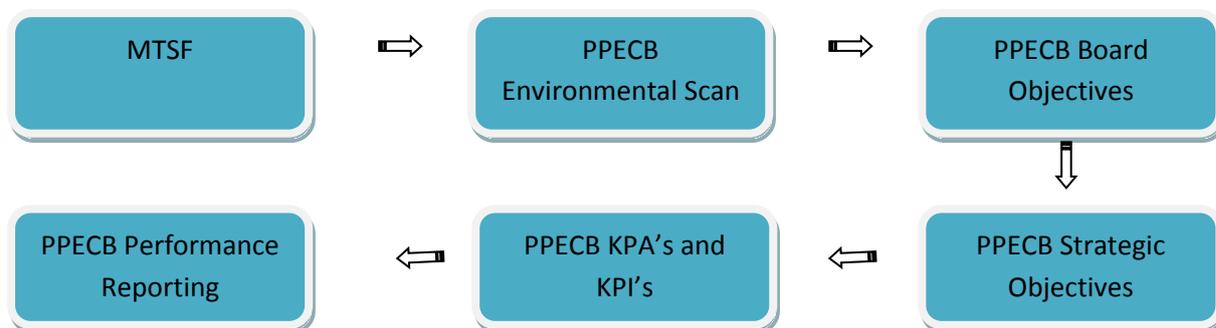
The period ending 2020/21 is informed by the two major objectives above namely fulfilment of the mandate from Government and execution of the strategic plan approved by the Board. Over the past decade the PPECB became increasingly under resourced to meet these objectives.

The period ending 2020/21 will continue to address human resource constraints to ensure that the PPECB meets its mandate and strategic goals. Employment costs of R187 million in 2015/16 is set to increase to R323 million over the five years, which is an average of 10.5%. Salaries including promotions are adjusted by an average of 6% per annum and growth in employment is 4.5%. The PPECB is a service oriented entity and as such 66% of total expenditure is made of personnel costs. The vacancy rate is kept at 5% of total staff over the five year period.

Perishable Products Export Control Board MTEF for the period ending March 2021

Statement of Financial Performance	Audited outcome			Revised Estimate	Average Growth Rate %	As % of Total %	Medium-term estimate					Average Growth Rate %	As % of Total %
	2012/13	2013/14	2014/15				2015/16	2012/13 - 2015/16	2016/17	2017/18	2018/19		
R thousand	2012/13	2013/14	2014/15	2015/16	2012/13 - 2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2016/17 - 2020/21		
Revenue													
Sale of goods and services	189,998	217,678	245,481	268,623	12.2% 97.8%	320,141	355,357	392,669	433,899	485,967	11.0% 98.5%		
Interest Received	4,469	5,405	5,366	3,769	-5.5% 2.0%	4,526	4,843	5,182	5,545	5,933	7.0% 1.2%		
Transfers received	600	600	600	600	0.0% 0.2%	848	848	848	848	848	0.0% 0.3%		
Total revenue	195,067	223,683	251,447	272,992	11.8% 100.0%	325,515	319,942	353,754	387,170	423,753	10.9% 100.0%		
Expenses													
Compensation of employees	135,326	151,356	176,688	186,592	7.7% 67.5%	216,589	238,248	263,264	290,907	322,906	10.5% 66.0%		
Goods and services	59,443	72,212	80,873	91,844	9.5% 31.4%	105,178	115,696	127,265	139,992	158,191	10.7% 32.0%		
Depreciation	1,528	2,499	3,595	3,428	28.4% 1.1%	6,156	7,018	8,000	9,120	10,397	14.0% 2.0%		
Interest paid	13	13	10	10	-25.3% 0.0%	13	13	13	13	14	1.0% 0.0%		
Total expenses	196,310	226,080	261,136	281,874	12.8% 100.0%	327,936	360,975	398,543	440,032	491,508	10.6% 100.0%		
Surplus/(Deficit)	-1,243	-2,397	-9,689	-8,800		-2,421	73	156	259	1,240			

5.5 Organisational Planning Process



5.6 Monitoring and Evaluation

The PPECB monitors and evaluates its performance against pre-determined objectives listed per sub-programme. Although progress against stated targets is reported quarterly, monthly divisional discussions in terms of performance progress are held. Organisational performance reports are escalated to executive meetings, where after it gets approved by the Board, before submission to the Executive Authority.

Great emphasis is placed on evidence-based monitoring, which gets audited on a regular basis. The PPECB currently uses a manual reporting system, coordinated by a senior manager within the organisation. The effective monitoring and reporting on organisational performance rests with the office of the CEO.

6. STRATEGIC OUTCOME ORIENTED GOALS

The PPECB has defined the following key strategic objectives:

- **Strategic Objective 1 (SO1):** Enhance the credibility of the South African export certificate;
- **Strategic Objective 2 (SO2):** Support the export competitiveness of South Africa's perishable products industries; and
- **Strategic Objective 3 (SO3):** Strengthen the PPECB's capacity to provide a professional suite of services for its customers.
- **Strategic Objective 4 (SO4):** Contribute to the socio-economic transformation of the agricultural sector

These strategic objectives have further been linked to strategic programmes that will drive the achievement of the organisation's mission and vision.

Below a tabular illustration of the respective programmes linked to the organisational strategic objectives:

STRATEGIC OBJECTIVES (SO)	PROGRAMMES
(SO1) Enhancing the credibility of the South African export certificate	Programmes: 1, 2, 3 and 4
(SO2) Supporting the export competitiveness of South Africa's perishable products industries	Programmes: 3 and 4
(SO3) Strengthening the PPECB's capacity to provide a professional suite of services for its customers	Programmes: 1, 2
(SO 4) Transformation and Development Services which contribute to the socio-economic transformation of the agricultural sector	Programme 4

PART B: PROGRAMME OVERVIEW

The PPECB's strategy is driven and executed by 4 main programmes. These programmes are:

1. PROGRAMME 1: CORPORATE SERVICES

The Corporate Services Programme is one of four strategic programmes within the PPECB. The purpose of the programme is to support, provide direction, leadership, instil corporate discipline and promote the services of the PPECB.

The programme comprises of units that include: Finances, Human Resources, Marketing and Communications, Legal and Governance, Information and Communications Technology, Innovation and Research and Business Certifications.

The Corporate Services Programme operates cross-functionally with the primary aim to deliver professional support services to the whole of the PPECB. The Programme further plays an essential role in ensuring coherence among the respective business units within the PPECB.

1.1 The main programme deliverables are:

- ❖ To provide strategic direction to the organisation;
- ❖ To ensure service alignment with relevant stakeholder expectations;
- ❖ To seek and identify opportunities to improve service delivery and customer satisfaction;
- ❖ To promote and protect the PPECB brand;
- ❖ To provide the necessary business infrastructure;
- ❖ To instil a culture promoting Batho Pele;
- ❖ To ensure adherence to sound financial and governance practices;
- ❖ To improve the organisations Corporate Social Responsibility portfolio;
- ❖ To ensure seamless mobility infrastructure & ICT Governance; and
- ❖ To harness technology to deliver better services.
- ❖ To establish and maintain a working relationship with the trade union
- ❖ To promote employment equity within the workplace

1.2 Based on the listed deliverables, the Programme is committed to achieve the following outcomes over the medium term:

- ❖ Formulate and submit a PPECB strategy aligned with the Government imperatives and stakeholder expectations;
- ❖ Obtain ISO 9001:2008 certification and level 3 B-BBEE verification;
- ❖ Successfully migrating from a manual to an automated inspection system;
- ❖ Introduce systems and processes that promote sound financial and governance practices without hampering business efficiency;
- ❖ An integrated approach to innovation that acts as a catalyst for business transformation;
- ❖ A clear shift in organisational culture that compliments the values of the PPECB;
- ❖ Increase spend on Corporate Social Initiatives; and
- ❖ Attract and retain previously disadvantaged individuals

2. PROGRAMME 2: OPERATIONAL SERVICES

The PPECB Operational Services Programme is responsible for delivering integrated inspection and cold chain services for the export market. This Programme is divided into 3 functional areas namely; North, South and Coastal. The aim of the Programme is to deliver an effective and efficient service to all PPECB stakeholders. The Programme is further committed to ensure achievement of the PPECB's strategic objectives.

2.1 Priority Areas

- ❖ Ensuring compliance and alignment with all relevant legislation that affects the PPECB and its operational mandate
- ❖ Building and maintaining a high performance workforce that is multi-skilled, accountable, competent, innovative, consistent and uniform
- ❖ Rendering an integrated cost-effective service to customers
- ❖ Collaborating closely with all stakeholders to maintain relationships and client confidence in the PPECB and its processes
- ❖ Providing stakeholders with information that is accurate and timeous
- ❖ Ensuring greater access to technology platforms and tools for digital service delivery

2.2 Measurable objectives

The successful implementation of the programme will be measured against the following objectives:

- ❖ Maintaining the required sampling frequency with regard to our mandate.
- ❖ Implementing and maintaining proper procedures for enhancing the credibility of the South African Export Certificate and Carrying Temperature Instructions.
- ❖ Adherence to the SLA targets.
- ❖ Implementing policies and procedures aligned with the requirements of ISO 9001: 2015.
- ❖ Ensuring completeness of income.
- ❖ Client feedback with responses that is timeous and accurate.
- ❖ An engaged and satisfied staff creating a culture of performance and care.
- ❖ Re-capacitating Research and Development

3. PROGRAMME 3: FOOD SAFETY SERVICES

Food safety refers to the assurance that food will not cause harm to the consumer when it is prepared and/or eaten according to its intended use. Section 2(1) of the Foodstuffs Cosmetics and Disinfectants Act, 1972 (Act No. 54 of 1972) prevents any person to put into international trade any food that is unfit for human consumption. The Agricultural Products Standards Act, 1990 (Act 119 of 1990) controls and promotes specific product quality standards for the local market and for export purposes. It is administered and enforced by the Directorate: Food Safety and Quality Assurance in the DAFF. With respect to food safety, the Perishable Products Export Control Board has been appointed and authorized to conduct Food Safety audits (Regulation 707), test groundnuts for aflatoxins (Regulation No. 1145 tolerance for fungus-produced toxins in foodstuffs) and conduct compositional testing of dairy products (Regulation No. R2581 relating to dairy products and imitation dairy products) destined for the export market.

3.1 Priority Areas

- ❖ Ensuring consistent production of safe and quality products by reducing risks of compromised food quality;
- ❖ Maintaining consumer (local and international) confidence in food safety and quality by using reliable, advanced and rapid technologies in testing quality characteristics of food to ensure compliance, and testing mycotoxin tolerance levels, pesticide residues and microorganisms;
- ❖ Promoting safe production practices for growers through food safety audits and strengthening national food control systems; and
- ❖ Reducing the negative impact on the environment by ensuring compliance to regulations.

3.2 Measurable Objectives

- ❖ To strengthen national food control systems;
- ❖ To facilitate active collaboration between stakeholders;
- ❖ To provide an ISO 17025 accredited Pesticide Residue Testing [Maximum Residue limit (MRL)] and Dairy testing service in foods and feeds to ensure food safety compliance and quality;
- ❖ To test for all pesticides as per the regulations of South Africa and the EU with a lead time of 48 hrs from sample receipt;
- ❖ To increase the scope of mycotoxin and dairy analyses to meet customer needs in line with R. No. 1145 (Foods), R. No. 2581 (Dairy) and R. No.1087 (Feeds);
- ❖ To strengthen core competencies of lead times, workflow processes and in house developed methodology;
- ❖ To offer a one stop shop for food and feed safety testing; and
- ❖ To reposition the PPECB Laboratory to provide further support to DAFF and promote the export of safe food

The Programme comprises of Food Safety services and Laboratory services.

4. PROGRAMME 4: TRANSFORMATION AND DEVELOPMENT SERVICES

The transformation and development services programme is aimed at building capacity through the development of internal and external skills. The programme includes the following initiatives:

4.1 Internships and Learnerships

The PPECB has in the past 8 years offered a learnership at NQF level 5, exposing learners to the postharvest agricultural value chain and providing them with a head-start in advancing themselves professionally in this sector. It is the PPECB's aim to continue with this initiative and take this to a higher level by partnering with institutions like CPUT which will assist in enhancing the qualification students obtain at the PPECB. The learnership programme is provided in partnership with the DAFF and the Agri-Seta.

In collaboration with Agri-Seta, the PPECB is further providing on the job exposure in fields like Information and Communication Technology (ICT), Finance, Human Resources and Marketing. All students who have participated in the ICT internship programme have since been employed permanently by the PPECB.

4.2 Internal Capacity Building

The PPECB puts a lot of emphasis on the area of capacity building. It provides development opportunities for both internal and external stakeholders. With regards to internal stakeholders the focus is on women and youth empowerment. Leadership Development initiatives are being put in place to ensure that women are accelerated so that they can assume leadership roles as these are currently predominantly occupied by their male counterparts. The PPECB is striving to be a learning institution and is leveraging technology to ensure that training provided meets the needs of the modern generation. This has resulted in the introduction of a Learning Management System with on-line on-boarding. There is also a huge focus on coaching and mentoring to ensure that the youth entering the work place are empowered to be able to provide customer service with confidence.

Over and above the training, coaching and mentoring that we provide for our internal stakeholders, we also have a dedicated programme for ensuring uniform interpretation and consistent application of standards during execution of product inspections, cold chain functions and food safety audits. The harmonisation programme aims at mitigating the risks of incorrect decision making during inspections and cold chain functions, enhances confidence levels of employees and associated clients during service delivery.

4.3 Small Holder Development

The Development unit's services aim to expose smallholder farmers to food safety, good agricultural practices, responsible use of pesticides, cold chain management and product quality training in preparation for food safety certification and market access.

Development initiatives are run on a collaborative basis with the DAFF, the Department of Agriculture Western Cape, the Agricultural Research Council (ARC) and the National Agricultural Marketing Council (NAMC) and service all provinces in South Africa. Collaboration not only extends to sister State Owned Enterprises (SOEs) but also to commercial development partners like Citrus Research International (CRI) as well as Further Education and Training Colleges like Fort Cox agricultural college in the Eastern Cape.

The PPECB employees have enviable expertise in quality standards, food safety and cold chain management in particular, and it plays to its strength as an organisation in imparting that knowledge. The PPECB's mandate and resources are limited when it comes to providing a stand-alone training function, so it is imperative that the organisation performs this important function in a collaborative fashion.

4.4 Measurable objectives of the Programme:

- ❖ Raise external donor funds for the running of the development programme;
- ❖ Increase the product offering of development initiatives; and
- ❖ Build capacity in externally targeted groupings by transferring knowledge and skills.
- ❖ Extend laboratory services to small holder farmers

PART C: RISK MANAGEMENT

The PPECB's role is to instil confidence in the international community that the food delivered as a result of the PPECB's quality assurance programme meets the expected standard, and is safe to eat. The emphasis is on the PPECB to reduce or control any liability that may arise from professional errors or non-performance around the organisation's mandate.

The PPECB needs to manage an array of risks that present themselves annually to the organisation. Some are predictable, and others can take the organisation by surprise. For this reason, the PPECB has developed policies, committees and overall management structures to monitor that risks do not place the organisation in jeopardy.

The Board of Directors has primary responsibility for overseeing risk management and risk assessment across the PPECB. In accordance with the Public Finance Management Act 1 of 1999, the Board of Directors of the PPECB recognises that it is obliged to protect the organisation, people and assets against the adverse consequences of risk with a view to ensuring that objectives are met. These key objectives include:

- ❖ Delivering on the mandate delegated by the DAFF to the PPECB;
- ❖ Protecting the reputation of the PPECB;
- ❖ Furthering good corporate governance within the organisation;
- ❖ Developing and growing relationships with PPECB's stakeholders;
- ❖ Protecting and developing the PPECB's employees and the organisation's intellectual property; and
- ❖ Protecting the assets of the public entity.

Management is responsible for designing, implementing and monitoring the effective functioning of system internal controls. The Risk Management Committee (RISCO) has been established by the PPECB to support the Chief Executive Officer and Executive Team in monitoring the risk by reviewing the effectiveness of the PPECB's risk management systems, practices and procedures, and providing recommendations for improvement. The top risks are addressed through action plans that have individuals responsible for the known risks.

The following are broad areas of risk relevant to the PPECB:

- ❖ Strategic risks;
- ❖ Compliance risks;
- ❖ Operational risks;
- ❖ Financial risks;
- ❖ Stakeholder risks;
- ❖ Business processes risks;
- ❖ Technology risks;
- ❖ People risks;
- ❖ Social, environmental and economic responsibility risks; and
- ❖ PPECB laboratory risks.

The PPECB's internal audit department oversees the risk process from a strategic perspective. The independent, external financial auditors and internal auditors check for the robustness and thoroughness of risk management within the PPECB, and report independently on such risk matters. The assessment methodology takes into account the severity and probability of risk occurring, including the ranking and prioritisation of identified risks. The top risks are addressed through action plans that have individuals responsible for the known risks. Risks can vary depending on the nature, scope and size of the business matter involved. Importantly, the threat to the integrity of the business as a going concern must be considered, including the potential collateral damage (reputational and otherwise) to all of the PPECB's stakeholders.

Below is an extract of the 5 major risks that may impact the PPECB in the year to come:

Risk	Impact [A]	Probability [B]	Inherent [C]=[A]x[B]	Residual
Non-compliance to the APS mandate	4.4	3.4	15	7.8
The PPEC Act does not fit into the current deregulated environment	3.8	3.8	14.4	9.9
Financial Instability	4.1	3.4	13.9	8.1
Misalignment of the Act, the mandate and the business model	3.8	3.6	13.7	9.3
Insufficient disaster recovery	4.4	3	13.2	3

PART D: ORGANISATIONAL PERFORMANCE TARGETS

The PPECB has identified the following key performance areas and key performance indicators for the period 2016 to 2020.

Programme performance indicators and annual targets

Programme 1: Corporate Services		Targets 2015 - 2020			
Output (KPA)	Indicator (KPI)	2016/2017	2017/2018	2018/2019	2019/2020
Business Transformation	Percentage of money spent on B-BBEE suppliers	75%	77%	78%	80%
Informed and Satisfied Stakeholder Base	Percentage of information provided at a 95% accuracy level in week 1 of reporting	93 %	94%	95%	98%
	Organisational customer satisfaction index measured annually	75%	80%	80%	85%
Skills Retention	Percentage of staff retained annually	94%	94%	94%	94%

Programme 2: Operational Services		Targets 2015 - 2020			
Output (KPA)	Indicator (KPI)	2016/2017	2017/2018	2018/2019	2019/2020
Compliance	Number of samples inspected on a 2% basis	96%	97%	98%	99%
	Percentage of accurate temperature letters issued in relation to the number of vessels sailed	100%	100%	100%	100%
Efficient Service Delivery	Percentage cartons of main (citrus, grapes, pome, stone and avo's) products captured on the Titan system	30%	50%	70%	80%
	Number of activity points interfacing with the PPECB mobile technology platform	400	800	1000	1300

Programme 3: Food Safety Services		Targets 2015 - 2020			
Output (KPA)	Indicator (KPI)	2016/2017	2017/2018	2018/2019	2019/2020
Food Safety Assurance	Number of samples analysed using accredited methods	20000	22000	24000	26000
	Number of food safety audits conducted	720	750	800	850

Programme 4: Transformation and Development Services		Targets 2015 - 2020			
Output (KPA)	Indicator (KPI)	2016/2017	2017/2018	2018/2019	2019/2020
Capacity Building	Number of students graduated through the AETP programme	30	35	40	45
	Number of small holder farmers trained	120	150	170	200
Competent Staff	Percentage of operational staff verified by the harmonisation programme as competent	85%	90%	90%	95%
Market Access	Number of small holder farmers certified for export	5	10	10	15

CONCLUSION

Classified as a National Public Entity in terms of the Public Finance Management Act, 1 of 1999 and mandated to oversee the export of perishable produce, the PPECB's core services are targeted at the export value chain.

However, as a government entity the PPECB is further committed to assist government in achieving its priorities. The PPECB is also committed to continuously improve customer service by becoming more efficient and customer centred. Strategic programmes have hence been consolidated and aligned to direct organisational focus accordingly.

Over the medium term, the PPECB will be focussed on becoming more efficient through consolidation, where possible. The entity will further have a strong focus on containing cost and aligning itself with stakeholder needs.