



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

**ANNUAL
PERFORMANCE PLAN**

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PART A: STRATEGIC OVERVIEW

1. CONTEXTUAL AND SITUATIONAL 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.

1.1 Legislative Mandate

PPECB was established in June 1926 through the Perishable Products Export Control Act. Its objective is to bring about the orderly and efficient exports of perishable products from the Republic of South Africa. The mandate includes product temperature management, equipment certification, the application of cold treatment protocols for designated markets, research and development, and providing advice and training. The PPECB is the sole public entity responsible for the work envisaged in the PPEC Act regarding cold-chain regimes for fresh perishable exports.

During 1993 and 1994, the PPECB was accredited by the US Department of Agriculture (APHIS) and the Japanese MAFF to conduct in-transit cold-treatment exports to the USA and Japan respectively.

The deregulation of the single channel marketing system, and the abolishing of the Marketing Control Boards during 1997, resulted in the PPECB surrendering certain functions. These functions included ship scheduling and the chartering of conventional shipping space.

However, the PPEC Act has never been aligned to reflect the changes experienced in the deregulated environment. The construction and approval of an aligned PPEC Act is therefore a key imperative for the PPECB to have a clear mandate of its role going forward.

During 1991, the PPECB was appointed as an assignee (by the then Department of Agriculture) to perform product quality certification on all consignments of regulated agricultural products of plant origin destined for export. This service is performed under the Agricultural Products Standards Act of 1990. The mandate includes phytosanitary checks for markets that do not require the application of cold treatment protocols. Official certification of good agricultural practices of all food business operators is conducted in accordance with standards for food safety and food hygiene for regulated agricultural products of plant origin intended for export, R707 of 13 May 2005. The PPECB is the official mycotoxin certification Agency for groundnuts produced and exported from the Republic.

1.2 Stakeholders

The PPECB's stakeholders include all food business operators within the supply chain of perishable products from "farm to fork". These stakeholders include the likes of producers, exporters, importers, retailers, pack houses, cold stores, port terminal operators and shipping lines. The PPECB has identified the following more comprehensive group of stakeholders:

- **Company** - all employees at the PPECB
- **Customers** - anyone who employs the PPECB's services
- **Competitors** - those companies who operate in the same business space as the PPECB and who compete for the same customer spend
- **Suppliers** - companies or individuals that supply the PPECB with whatever it needs to function, including finance, services, components and utilities
- **Influencers** - anyone who can make life easier or harder for the PPECB such as activists, lobbyists, industry associations, the media, environmentalists and trade unions
- **Facilitators** - those who make it possible for the PPECB to carry out its business, namely governments, regulators, licensing agencies and standards authorities

1.3 Government Imperatives

As a state owned entity, the PPECB is committed to contribute to achievement of Government imperatives, within the confines of its legislative mandate. In addition to the outcomes of the National Development Plan, the National Growth Path and the Agricultural Policy Action Plan, the PPECB notes the Medium Term Strategic Framework and outcomes Government outcomes 4, 7 and 10. The entity further takes note of the President's "Nine Point Plan" in particular the role of State Owned Entities.

2. REVISION TO LEGISLATIVE AND OTHER 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 mainly 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, but have not been finalised. In early 2016, the revised PPEC Bill has been published for public comment and once completed will then advance for further processing. The PPECB trusts that this critical piece of enabling legislation will be enacted later in 2016. To date, there have been no significant changes to legislation impacting directly on the mandate of the PPECB.

3. OVERVIEW OF 2016/2017 BUDGET AND MTEF

Statement of financial performance	Budget	Audited Outcome	Budget	Audited Outcome	Budget	Audited Outcome	Budget estimate	Revised estimate	Outcome/Budget Average %	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term estimate			Average growth rate (%)	Expenditure/total: Average (%)
R thousand	2012/13	2013/14	2013/14	2014/15	2014/15	2015/16	2015/16	2015/16		2012/13-2015/16		2016/17	2017/18	2018/19	2015/16 - 2018/19	
Revenue																
Tax revenue	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Non-tax revenue	198,701	195,088	209,667	223,083	247,220	250,847	285,019	272,392	99.8%	11.8%	99.7%	324,667	360,199	397,851	10.7%	99.8%
Sale of goods and services other than capital	192,701	189,865	205,167	214,904	241,866	245,481	278,548	268,623	97.4%	12.3%	97.1%	320,141	355,357	392,669	10.7%	98.4%
<i>of which:</i>									-							
Administrative fees	192,701	189,865	205,167	214,904	241,866	245,481	278,548	268,623	97.4%	12.3%	97.1%	320,141	355,357	392,669	10.7%	98.4%
Sales by market establishment	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other sales	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other non-tax revenue	6,000	5,223	4,500	8,179	5,354	5,366	6,471	3,769	2.4%	-10.3%	2.7%	4,526	4,843	5,182	7.0%	1.3%
Transfers received	600	600	632	600	600	600	600	600	0.2%	-	0.3%	848	848	848	-	0.2%
Total revenue	199,301	195,688	210,299	223,683	247,820	251,447	285,619	272,992	100.0%	11.7%	100.0%	325,515	361,047	398,699	10.7%	100.0%
Expenses																
Current expenses	197,950	196,930	210,299	226,080	224,092	261,136	291,619	281,874	100.0%	12.7%	100.0%	327,936	360,975	398,543	7.9%	100.0%
Compensation of employees	132,292	135,326	136,862	146,484	144,566	176,688	158,066	186,592	65.8%	11.3%	63.8%	216,589	238,248	263,264	10.2%	66.0%
Goods and services	63,168	60,063	70,836	77,073	75,950	80,873	127,767	91,844	32.7%	15.2%	34.8%	105,178	115,696	127,265	10.0%	32.0%
Depreciation	2,490	1,528	2,601	2,499	3,565	3,565	5,776	3,428	1.5%	30.9%	1.3%	6,156	7,018	8,000	14.0%	1.9%
Interest, dividends and rent on land	-	13	-	23	10	10	10	10	0.0%	-8.4%	0.0%	13	13	13	1.0%	0.0%
Total expenses	197,950	196,930	210,299	226,080	224,092	261,136	291,619	281,874	100.0%	12.7%	100.0%	327,936	360,975	398,543	10.2%	100.0%
Surplus/(Deficit)	1,351	(1,242)	-	(2,397)	23,729	(9,689)	(6,000)	(8,882)				(2,421)	73	156		

3.1 Relating MTEF trends to strategic outcome orientated goals

The MTEF 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 complement that can add value to the perishable export industry.

Personnel information

The vacancy rate at 31 March 2015 was 5%. The vacancy rate is expected to decrease to 4% in 2018/19.

The MTEF ending 2018/19 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.

Employment cost of R186 million in 2015/16 is estimated to increase to R263 million over the MTEF period increasing at an average of 10% including provision for career growth and additional appointments from 476 to 507 heads in order to mitigate risks such as the black spot issue currently facing the citrus industry as well as conversion of contract workers to permanent employment.

The PPECB is a service oriented entity and 66% of total expenditure is made of personnel costs. The vacancy rate is kept at minimum over the MTEF period.

The personnel cost is estimated at R216 million and R238 million and R263 million for 2016/17; 2017/18 and 2018/19 respectively.

Performance and expenditure trends

Between 2012/13 and 2015/16, total expenditure grew, from R198 million to R282 million at an average of 12.7% per annum. The reasons for these increases are mainly due to expenditure residing 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 2015/16, expenditure is set to increase by an average annual rate of 10.1 per cent to R399 million in 2018/19.

PART B: PROGRAMME AND SUB-PROGRAMME PLANS

4. STRATEGIC OBJECTIVES

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

4.1 Programmes

The above mentioned strategic objectives are delivered through 4 Strategic Programmes (Programme 1: Corporate Services, Programme 2: Operational Services, Programme 3: Food Safety Services, Programme 4: Transformation and Development Services) and supported by 16 sub-programmes. The table below depicts the linkages between these Programmes and the PPECB's 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

4.2 Programme Overview

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

These programmes are:

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 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.

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 corporate governance practices.
- To improve the organisations Corporate Social Responsibility portfolio.
- To ensure seamless mobility infrastructure and ICT Governance.
- 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

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 9001:2015 certification and level 3 B-BBEE verification.
- Successfully migrating from a manual to an automated inspection and Cold Chain system.
- Introduce systems and processes that promotes 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.
- Attract and retain previously disadvantaged individuals

Programme 2: Operational Services

The PPECB Operational Services Programme is responsible for delivering integrated inspection and cold chain services for the export market. 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.

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
- Render 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
- Ensure greater access to technology platforms and tools for digital service delivery

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.
- Implement policies and procedures aligned with the requirements of ISO 9001: 2015.
- Ensuring completeness of income.
- Client feedback with responses that are timeous and accurate.
- An engaged and satisfied staff creating a culture of performance and care.
- Re-capacitate Research and Development

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 Department of Agriculture, Forestry and Fisheries. With respect to food safety, the Perishable Products Export Control Board has been appointed and authorised 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.

To that end, the PPECB has identified as one of its core programmes: Food Safety Services. The main objective of this programme is to ensure compliance to the regulations that are the applicable South African standards on food safety and quality which are in line with EC 178/2002, Codex principles and guidelines on food hygiene, traceability and food safety and EC 1525/1998 – Contaminants in foodstuff, so that South Africa continues to penetrate international markets and increase its market share with safe and quality foods.

Food Safety Services objectives also include:

- 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.
- Reducing the negative impact on the environment by ensuring compliance to regulations.
- Reposition the PPECB Laboratory to provide further support to DAFF and promote the export of safe food.

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 focuses on the following:

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.

Internal Capacity Building

The PPECB puts a lot of emphasis in 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.

Small Holder Farmer 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 Department of Agriculture, Forestry and Fisheries (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.

Measurable objectives of the programme:

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

4.3 Quarterly Performance Targets 2016/17

Programme 1: Corporate Services		2016/2017				
Output (KPA)	Indicator (KPI)	Annual Target	Quarter 1	Quarter 2	Quarter 3	Quarter 4
Business Transformation	Percentage of money spent on B-BBEE suppliers	75%	70%	72%	74%	75%
Informed and Satisfied Stakeholder Base	Percentage of information provided at a 95% accuracy level in week 1 of reporting	93%	91%	92%	93%	93%
	Organisational customer satisfaction index measured annually	75%	70%	72%	74%	75%
Skills Retention	Percentage of staff retained annually	94%	94%	94%	94%	94%

Programme 2: Operational Services		2016/2017				
Output (KPA)	Indicator (KPI)	Annual Target	Quarter 1	Quarter 2	Quarter 3	Quarter 4
Compliance	Number of samples inspected on a 2% basis	96%	95%	95%	96%	96%
	Percentage of accurate temperature letters issued in relation to the number of vessels sailed	100%	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%	30%	30%	30%	30%
	Number of activity points interfacing with the PPECB mobile technology platform *	400	250	300	350	400

Programme 3: Food Safety Services		2016/2017				
Output (KPA)	Indicator (KPI)	Annual Target	Quarter 1	Quarter 2	Quarter 3	Quarter 4
Food Safety Assurance	Number of samples analysed using accredited methods *	20 000	18 000	18 500	19 000	20 000
	Number of food safety audits conducted *	720	700	705	715	720

Programme 4: Transformation and Development Services		2016/2017				
Output (KPA)	Indicator (KPI)	Annual Target	Quarter 1	Quarter 2	Quarter 3	Quarter 4
Capacity Building	Number of students graduated through the AETP programme	30	0	0	0	30
	Number of small holder farmers trained *	120	15	60	105	120
Competent Staff	Percentage of operational staff verified by the harmonisation programme as competent	85%	80%	82%	83%	85%
Market Access	Number of small holder farmers certified for export *	5	1	2	3	5

* These targets are cumulative

4.4 Technical indicator descriptions for Performance Indicators

Programme 1: Corporate Services	
Output (KPA)	Indicator (KPI)
Business Transformation	Percentage of money spent on B-BBEE suppliers
Informed and Satisfied Stakeholder Base	Percentage of information provided at a 95% accuracy level in week 1 of reporting
	Organisational customer satisfaction index measured annually
Skills retention	Percentage of staff retained annually

Indicator Title	Percentage of Money spent on B-BBEE Suppliers
Short Definition	Procurement expenditure for goods and services from suppliers that are BBEE compliant
Purpose / Importance	Provide equitable opportunities to suppliers that promote transformation agenda of the country at large.
Source / Collection of data	The data is collected from the ERP supplier database with the respective suppliers having a B-BBEE certificate as evidence of their compliance
Method of Calculation	Spend on B-BBEE suppliers is divided by the total spend and that gives the percentage of B-BBEE spend.
Data limitations	Converting non-compliant suppliers to be B-BBEE compliant.
Type of Indicator	The indicator measures the outcome of business opportunities to B-BBEE suppliers and equitability of our procurement spend.
Calculation Type	Cumulative
Reporting Cycle	Quarterly
New Indicator	Continues without change from the previous year
Desired Performance	The desired performance would be that which exceeds the target as an indication that PPECB business benefits mostly the B-BBEE suppliers, especially SMME's that play a vital role to fight the scourge of unemployment.
Indicator Responsibility	Procurement Manager

Indicator Title	Percentage of information provided at a 95% accuracy level in week 1 of reporting
Short Definition	This is the percentage of information that is capture of total volume inspected/exported the previous week
Purpose / Importance	This performance measure indicates the efficiency of data capturing and accuracy of information within the PPECB systems.
Source / Collection of data	Record/log is kept of the volumes reported in the SLA reports that are sent to the industry
Method of calculation	When the weekly reports are sent to industry the volume per product group is captured and stored. That specific week's volume is then monitored for three consecutive weeks to gauge the total amount captured after three weeks versus what was captured in the first week.

Data limitations	No specific limitations
Type of Indicator	Indicator identifies the measuring of inputs and outputs in terms of data and information gathering and dissemination
Calculation type	Cumulative
Reporting cycle	Quarterly reporting
New Indicator	No, targets increase year on year
Desired performance	The aim is to have at least an average of the total information captured in the first week with a 95% accuracy
Indicator responsibility	Regional Administrator

Indicator Title	Organisational customer satisfaction index measured annually.
Short Definition	Reporting on the percentage of customers who are satisfied with the service provided by the PPECB.
Purpose / Importance	The data is used to ascertain the level of customer satisfaction amongst PPECB customers.
Source / Collection of data	The data is gathered from the PPO4.01-03F02 Form (Questionnaire to Measure and Improve Customer Satisfaction) which is submitted to clients at the end of each season.
Method of calculation	The PPO4.01-03F02 Form requires the customer to rate the overall service of the PPECB as either excellent, good, average or poor. The number of excellent and good ratings received are added and calculated as a percentage of the total ratings received.
Data limitations	Not all PPO4.01-03F02 forms submitted to clients are returned to the PPECB.
Type of Indicator	The indicator measures efficiency of services provided by the PPECB to its customers.
Calculation type	Non-Cumulative
Reporting cycle	Annually
New Indicator	This is a new indicator that started in the 2015/2016 financial year.
Desired performance	Performance which is higher than the target is desirable as this means that the clients are satisfied with the PPECB's performance.
Indicator responsibility	Manager: Marketing and Communications

Indicator Title	Percentage of staff retained annually
Short Definition	This has to do with the PPECB attrition rate i.e. the percentage of people who leave our employment annually.
Purpose / Importance	It is important for us as an organisation to be able to monitor the rate at which we retain our staff.
Source / Collection of data	This we calculate based on the number of resignations per annum
Method of calculation	Total number of headcount /Terminations
Data limitations	No specific limitations
Type of Indicator	Head count vs terminations
Calculation type	Non-cumulative
Reporting cycle	Annual
New Indicator	No
Desired performance	We are happy with the current attrition rate because it illustrate that we are able to retain our skills.
Indicator responsibility	General Manager HR

Programme 2: Operational Services	
Output (KPA)	Indicator (KPI)
Compliance	Number of samples inspected on a 2% basis
	Percentage of accurate temperature letters issued in relation to the number of vessels sailed
Efficient Service Delivery	Number of clients submitting electronic requests for export certificates via the PPECB mobile technology platform *
	Number of activity points interfacing with the PPECB mobile technology platform *

Indicator Title	Number of samples inspected on a 2% basis
Short Definition	100% of consignments must be inspected on a 2% sample which is very labour intensive
Purpose / Importance	Compliance to bilateral agreements with importing countries
Source / Collection of data	The data is to be collected from consignment notes inspected at a full 2%
Method of calculation	Data collected manually and reported monthly to coordinator who reported monthly and quarterly.
Data limitations	None
Type of Indicator	The indicator measures the outcome of the compliance to 2% of sampling.
Calculation type	The indicator is cumulative
Reporting cycle	Quarterly
New Indicator	Current indicator which changed from previous year.
Desired performance	Performance which is higher than target is desirable as it means more inspection at 2% sampling.
Indicator responsibility	General Managers: Operations

Indicator Title	Percentage of accurate temperature letters issued in relation to the number of vessels sailed
Short Definition	Reporting on the number of temperature letters issued to captains of vessels carrying perishable products from SA to international markets.
Purpose / Importance	It ensures that perishable produce is carried at optimum temperatures during sea voyages to arrive in good condition.
Source / Collection of data	The data is collected from the PPECB port offices.
Method of calculation	A count of the number of certificates issued in a quarter to vessels.
Data limitations	None
Type of Indicator	The indicator measures the outcome of compliance to temperature management requirements.
Calculation type	Cumulative
Reporting cycle	Quarterly
New Indicator	Continues without change from previous year.
Desired performance	The target should be 100% as all vessels must receive temperature carrying instructions.
Indicator responsibility	General Manager : Coastal

Indicator Title	Number of activity points interfacing with the PPECB mobile technology platform
Short Definition	Number of inspection activity points that are able to exchange data with the PPECB tablet technology system
Purpose / Importance	To improve: <ul style="list-style-type: none"> - accuracy with regard to data capture at source - correct billing and reduce credit notes - validation of FBO and special market registrations at time of inspection - improve credibility of the Export Certification process
Source / Collection of data	Monthly report from PPECB mobile technology system
Method of calculation	All activity points that were able to exchange data with the PPECB tablet technology system between the period of 01 April to 31 March
Data limitations	None
Type of Indicator	Indicators measure number of activity points that are able to interface with the tablet technology
Calculation type	Indicator is cumulative
Reporting cycle	Quarterly
New Indicator	New (Started 2015/2016 financial year)
Desired performance	Desired performance is to achieve at least 200 activity points
Indicator responsibility	ICT Manager – Projects and EDI

Indicator Title	Percentage cartons of main products (citrus, grapes, pome, stone and avo's) products captured on Titan
Short Definition	Number cartons captured using Titan
Purpose / Importance	To improve: <ul style="list-style-type: none"> - improve credibility of the Export Certification process - Increase efficiency - Reduce cost
Source / Collection of data	Monthly report from PPECB mobile technology system
Method of calculation	Number of cartons captured using Titan as a percentage to total number of cartons captured between the periods of 01 April to 31 March. This is only for the main product groups (citrus, grapes, pome, stone and avo's)
Data limitations	None
Type of Indicator	Indicators measure number cartons captured on Titan destined for export
Calculation type	Indicator is cumulative
Reporting cycle	Quarterly
New Indicator	New (Started 2016/2017 financial year)
Desired performance	Desired performance is to achieve 30% of cartons captured on Titan for 16/17 fiscal year.
Indicator responsibility	ICT Manager – Projects and EDI

Programme 3: Food Safety Services	
Output (KPA)	Indicator (KPI)
Food Safety Assurance	Number of samples analysed using accredited methods
	Number of food safety audits conducted

Indicator Title	Food safety assurance – Number of samples received for food safety testing using accredited methods
Short Definition	Samples received for testing as per the DAFF mandate for pesticides, mycotoxins and compositional dairy testing for export and the local market.
Purpose / Importance	Food safety testing in line with compliance to DAFF's standard operating procedures for export and regulations 1145 (fungal toxins), 1087 (animal feed) and 260 (dairy) for the local market to ensure quality and safe perishable products for targeted markets.
Source / Collection of data	Through the laboratory information management system (LIMS), sample information from tracking numbers to tests conducted are captured and recorded on a daily basis.
Method of calculation	Volumes of samples received for different tests are counted by the LIMS automatically as received at sample reception.
Data limitations	Seasonal variations may impact the targeted number of samples received.
Type of Indicator	Samples tested for export is indicative of the volumes exported and impact on the contribution of a specific market to the economy. Samples tested for the local market is indicative of compliance to regulations for safe food for the population.
Calculation type	Cumulative
Reporting cycle	Quarterly
New Indicator	New indicator (2015/2016)
Desired performance	A higher than target performance is preferred, as increased samples received for testing is indicative of compliance to food and feed safety regulations, and may also be indicative of increased exports.
Indicator responsibility	Manager: Laboratory

Indicator Title	Number of food safety audits conducted
Short Definition	Reporting on the number of Export Food Business Operators who were SAGAP (R707) certification in a quarter
Purpose / Importance	The SAGAP (R707) food safety certification ensures compliance with regulatory food safety requirements for exporting perishable produce of plant origin.
Source / Collection of data	The data is gathered from the Food Safety programme which issues the Certificates
Method of calculation	A count of the number of Food Safety Certificates issued in a Quarter to Exporting Food Business Operators
Data limitations	None

Type of Indicator	The indicator measures the outcome of Auditing activities with Exporting Food Business Operators
Calculation type	The indicator is cumulative
Reporting cycle	Quarterly
New Indicator	This is a new indicator which started in the 2015/16 financial year
Desired performance	Performance which is higher than the target is desirable as this means that oversight is increasing.
Indicator responsibility	Programme Manager: Food Safety

Programme 4: Transformation and Development Services	
Output (KPA)	Indicator (KPI)
Capacity Building	Number of students graduated through the AETP programme *
	Number of small holder farmers trained *
Competent staff	Percentage of operational staff verified by the harmonisation programme as competent
Market Access	Number of small holder farmers certified for export *

Indicator Title	Number of students graduated through the Agri Export Technologist Programme (AETP)
Short Definition	This is the number of people who fulfil all the requirements of the course who are then awarded with an NQF level 5 qualification after their Portfolios of Evidence have been assessed and moderated.
Purpose / Importance	This programme is designed with the aim of equipping our youth with postharvest agricultural skills. It therefore ensures that our youth are employable after course completion. This is a feeder programme for both the PPECB and the industry.
Source / Collection of data	The information is collated through Portfolios of Evidence submitted, assessed and moderated
Method of calculation	The indicator is calculated through stipulating the number of students recruited against those who successfully meet the final requirements of the course
Data limitations	No specific limitations
Type of Indicator	The indicator measures the outcome of the programme comparing the number of students who registered vs the number of students who graduated.
Calculation type	Non-cumulative
Reporting cycle	Quarterly
New Indicator	No

Desired performance	All registered students graduate after course completion and get employment in the sector.
Indicator responsibility	Executive: Human Resources

Indicator Title	Number of small holder farmers trained
Short Definition	The number of small holder farmers trained by the PPECB Development Unit
Purpose / Importance	To train small holder farmers in food safety, product quality, responsible use of pesticides and cold chain activities, thereby imparting knowledge required by the farmers to understand post-harvest activities
Source / Collection of data	Attendance registers completed by farmers during training sessions
Method of calculation	Adding together all the farmers who attended training sessions during a quarter across all registers
Data limitations	The only limitation is when attendees do not fill in a farm name to identify themselves as farmers
Type of Indicator	The indicator measures the output of the training sessions by looking at the number of farmers who have received knowledge on the trained subject matter
Calculation type	Cumulative
Reporting cycle	Quarterly
New Indicator	Continues without change from the previous year
Desired performance	Performance which is higher than the target is desirable as this means that more small holder farmers have an awareness of post-harvest activities
Indicator responsibility	Manager: Development

Indicator Title	Number of Technical Professionals (Inspectors and Assessors) evaluated for technical competency.
Short Definition	Reporting on the number of Inspectors and Assessors evaluated by an independent Product- and Cold Chain Specialist within a 3 year cycle – quarterly updates.
Purpose / Importance	The independent competency evaluations ensures integrity in the technical functions provided as an assignee of government and is prescribed within international legislation for inspection bodies. Exports need to be certified by a competent professional as an enabler for market access to international markets.
Source / Collection of data	The data is gathered from specialists within the Harmonisation Programme which has a national footprint in all PPECB regions. A seasonal plan is followed and the status of the inspectorate reported quarterly.
Method of calculation	The organisation sets a targeted percentage based on the desired competency levels and the default risk tolerance manageable internally. A count of the number of individuals evaluated is now reported.
Data limitations	None

Type of Indicator	The indicator measures the status of the inspectorate in terms of its competency of professionals tasked with mandated functions.
Calculation type	The indicator is cumulative and spans over a 3 year cycle.
Reporting cycle	Quarterly
New Indicator	The indicator is not new however reporting per number instead of percentage is new from the 3 rd quarter of the fiscal 2015/16.
Desired performance	Performance which is higher than the target is desirable as this means that the inspectorate is better equipped to fulfil its mandated and market access responsibilities
Indicator responsibility	Program Manager: Harmonisation

Indicator Title	Number of small holder farmers certified for export
Short Definition	Reporting on the number of small holder farmers who attained SAGAP (R707) certification in a quarter
Purpose / Importance	The certification allows small holder farmers greater market access as it is the minimum food safety requirement for exporting goods
Source / Collection of data	The data is gathered from the Food Safety programme which issues the certificates
Method of calculation	A count of the number of certificates issued in a quarter to small holder farmers
Data limitations	None
Type of Indicator	The indicator measures the outcome of Development activities with small holder farmers
Calculation type	The indicator is cumulative
Reporting cycle	Quarterly
New Indicator	This is a new indicator which started in the 2015/16 financial year
Desired performance	Performance which is higher than the target is desirable as this means that more small holder farmers have gained market access
Indicator responsibility	Manager: Development

4.5 Organisational Performance Targets over MTEF

Programme 1: Corporate Services		Targets 2016 - 2020			
Output (KPA)	Indicator (KPI)	2016/2017	2017/2018	2018/2019	2019/2020
Business Transformation	Percentage of money spent on BBE 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 2016 - 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 Titan	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 2016 - 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 2016 - 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

4.6 Reconciling performance targets with Budget and MTEF

The MTEF supports the funding of programmes to achieve its performance targets. The funding that is allocated to the various programmes includes:

	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 - 2014/15		2016/17	2017/18	2018/19	2019/20	2020/21	2015/16 - 2020/21		
Administration	59,499	69,201	72,081	77,796	9.3%	28.8%	90,509	99,628	109,997	121,448	135,655	10.6%	27.6%	
Operational Services	125,651	141,800	170,647	184,178	13.6%	64.4%	214,275	235,862	260,410	287,519	321,153	10.6%	65.3%	
Food Safety Services	7,853	10,519	13,285	14,338	22.2%	4.8%	16,681	18,362	20,273	22,384	25,002	10.6%	5.1%	
Transformation & Development	3,927	4,560	5,153	5,562	12.3%	2.0%	6,470	7,122	7,864	8,682	9,698	10.6%	2.0%	
Total Expenses	196,930	226,080	261,166	281,874	12.7%	100.0%	327,936	360,975	398,543	440,032	491,508	10.6%	100%	

5. CONCLUSION

The PPECB will yet again be facing a challenging 2016/2017 fiscal year. With grain crops for export significantly reduced and lower volumes destined for export, this poses a significant financial risk to the organisation. Should the drought persist, the organisation can face a possible financial loss of R40 million during the 2016/2017 fiscal year.

The strategic theme for 2016/2017 will be to operate more efficiently through the consolidation of strategic programmes and a stronger reliance on systems. The PPECB is also mindful of Government imperatives and is determined to support Government in achieving its objectives. The organisation has further adopted an approach to become more business minded, with a strong focus on expenditure management and stakeholder relations.

6. GLOSSARY OF ACRONYMS & ABBREVIATIONS

USDA	US Department of Agriculture
APAP	Agricultural Policy Action Plan
APHIS	Animal and Plant Health Inspection Services of USDA
APS	Agricultural Product Standards Act
ARC	Agricultural Research Council
BRC	British Retail Consortium
BRICS	Brazil Russia India China South Africa
BBBEE	Broad Based Black Economic Empowerment
CAPEX	Capital Expenditure
CBS	Citrus Black Spot
CPI	Consumer Price Index
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
ICT	Information Communication Technology
ISO	International Standard Organisation
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
NGP	National Growth Path
NGO	Non-Governmental Organisation
NQF	National Qualification Framework
NPE	National Public Entities
PAIA	Promotion of Access to Information Act
PFMA	Public Finance Management Act
POPI	Protection of Personal Information Act
PPECB	Perishable Products Export Control Board
S&T	Subsistence & Travel
SAGAP	South Africa Good Agricultural Practices
SLA	Service Level Agreement
SOE	Stated Owned Enterprises
SOP	Standard Operation Procedure