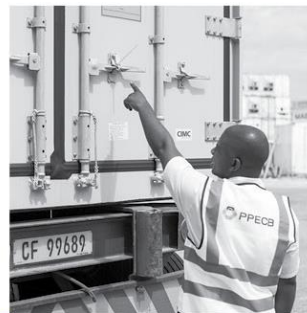


Annual Performance Plan 2024/2025



**Perishable Products
Export Control Board**

January 2024



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PPECB OFFICIAL SIGN-OFF

It is hereby certified that this Annual Performance Plan (APP):

- Was developed by the management of PPECB under the guidance of Accounting Officer
- Takes into account all relevant policies, legislation and other mandates for which the PPECB is responsible.
- Accurately reflects the outcomes and outputs which the PPECB will endeavour to achieve over the period 2024 to 2025



Ms Bongwiwe Njobe

PPECB Chairperson of the Board



Mr. Lucien Jansen

Chief Executive Officer



Mr. Johan Schwiebus

Chief Financial Officer

PART A: OUR MANDATE

1. Updates to the relevant 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 orderly export of perishable produce. This is achieved through the inspection of listed agricultural products and management of the cold chain.

On 08 November 2022, the Portfolio Committee convened to hear the detailed responses by DALRRD on the public comments relating to the APS Amendment Bill. On 15 November 2022, the Committee convened to be briefed on proposed changes that incorporated submissions by stakeholders that the Department had accepted. On 22 November 2022, the Committee met to finalise the Bill. The Bill was adopted with amendments as well as the Committee Report on the Bill. The Bill and Report will be sent to National Assembly for consideration. On 14 November 2023, the Committee received approval for the Agricultural Products Standards Amendment Bill from eight of the nine provinces and the Committee Report on the Bill was adopted. On 23 November 2023, the Bill was passed by the NCOP and sent to the President for assent. Following further consultation with the DALRRD in 2022, it was agreed to retain the current PPEC Act and proceed by way of updating the Regulations Relating to the Export of Perishable Products, 1983. A public consultation process will follow once the updated Regulation has been completed and approved by DALRRD. The draft Regulations Relating to the Export of Perishable Products, 1983 was approved by DALRRD in December 2023 and feedback is awaited in respect of advertising the Regulation for public comment.

On 30 August 2022, and in terms of Section 97 of the Constitution, the President of South Africa signed a proclamation transferring certain administration and powers of functions entrusted under the APS and the PPEC Acts respectively to the Minister of Home Affairs, in relation to the border law enforcement area and at ports of entry. Under the APS Act the transferred functions are certain regulatory aspects relating to control over export of products, and control over sale of imported product. Under the PPEC Act, the transferred function are certain regulatory aspects relating to officer and employee appointment.

The PPECB has sought clarity from DALRRD and has engaged in meetings with both DALRRD, on 26 September 2022, and the Border Management Authority (BMA) Commissioners on 27 September 2022. The BMA were requested to consider the specialised cold chain services rendered by the PPECB, the impact of splitting services which PPECB renders both in and outside of the border law enforcement area and that the PPECB is funded by levies. A physical meeting was held with the BMA Commissioners, and it was agreed that the PPECB will continue rendering services within the 10km port area. The PPECB provided a draft Implementation Protocol to the BMA on 31 March 2023 to ensure that the PPECB continues rendering services within the 10km port area. The PPECB is awaiting feedback on the draft Implementation Protocol.

The introduction of stricter international import regulations and requirements puts a lot of pressure on South African perishable product export systems and processes to ensure compliance and continued market access. These policy changes often require additional checks and validations, contributing to an already overburdened exporting system. In July 2022, the European Union introduced additional compliance measures for oranges from Southern Africa. This necessitated the introduction of additional controls at a significant cost for exports from South Africa, making it even more challenging to access this market. These policy changes are expected to continue over the

medium term, requiring the South African export industry to become even more flexible and innovative to remain competitive.

An agreement between the DALRRD and the PPECB was concluded, and the document records the formal service level agreement between the parties regarding the European Union (EU) Citrus Black Spot Risk Management System, the False Codling Moth Risk Management System (FMS), Fruit Fly Risk Management System (FFMS) as well as the cold chain requirements. The purpose of this agreement is to record specific activities and procedures to ensure effective and efficient compliance with the EU Commission Implementing Regulation 2019/2072 as well the Commission Implementing Regulation 2022/632. The PPECB operations department concluded the cost analysis on the additional resources and cost associated with the additional mandate. The outcome on this process going forward is in progress.

PART B: OUR STRATEGIC FOCUS

1. Updated Situational Analysis

Global perishable produce exports are becoming increasingly competitive as new entrants are accessing international markets and the drive towards safe and premium quality food continues. Non-technical trade barriers remain a great concern and the provision of relevant export information has become more critical than ever before.

The unusually stubborn and protracted La Niña event is likely to last until the end of the southern hemisphere summer. The first "triple-dip" La Niña (three consecutive years) of the 21st century will continue to affect temperature and precipitation patterns and exacerbate drought and flooding in various parts of the world, according to the World Meteorological Organization (WMO). The recent floods in the Western Cape are evident of the impact that relates to change in weather conditions. The major dams within South Africa are between 80% to 96% to capacity. However, the dams within the Western Cape are 94% to capacity as compared to 71% the same time last year. This reflects a much better position from an agriculture point view.

Being an independent and impartial regulator for South African perishable exports for more than 90 years, the PPECB is very much focused on delivering quality inspection services, cold chain management services and to some extent food safety certification services, based on a minimum South African export standards. Leapfrogging to an era where technological advancements will continue to disrupt the status quo, privileged information is readily available, and consumers are spoiled for choice, the PPECB has no choice but to adapt to these rapid changes or simply face becoming irrelevant.

Clients now expect increased efficiencies, seamless systems integration, the faster flow of information supported by proper business and more so, market intelligence as well as impeccable client service. It is clear that the PPECB's value proposition should change from merely playing the role of a regulator to that of an enabler. The organisation should therefore seek ways to augment its current service offering with value adding services directed at making South African perishable produce more competitive globally. In addition to this, such services can create a further income stream to the PPECB, relieving some pressure on future levy increases. The PPECB is certainly not unique and has highlighted organisational culture as one of the major focus areas to ensure successful delivery on the organisational strategy.

The PPECB will therefore continue to focus on the following strategic focus areas:

- Further improve the client experience through seamless integration with PPECB systems (external).
- The provision of relevant and timeous export and shipping information and market trends to enhance the competitiveness of the industry (BI).
- Continuous improvement through a process of transformation, innovation, and digitalization.
- Improved business efficiencies to ensure effective service delivery and contain cost.
- Improved business sustainability for black small holder farmers and suppliers.

1.1 External Environment Analysis

The global economy continues to recover slowly from the blows of the COVID-19 pandemic, Russia's invasion of Ukraine, and the cost-of-living crisis. In retrospect, the resilience has been remarkable. Despite the disruption in energy and food markets caused by the war, and the unprecedented tightening of global monetary conditions to combat decades-high inflation, the global economy has slowed, but not stalled. Yet, growth remains slow and uneven, with growing global divergences. The

global economy is limping along, not sprinting. Globally, the number of new COVID-19 cases decreased by 55% during the 28-day period of 28 August to 24 September 2023 as compared to the previous 28-day period, with over 685 000 new cases reported. The number of new deaths decreased by 34% as compared to the previous 28-day period, with over 1900 new fatalities reported. As of 24 September 2023, over 770 million confirmed cases and over six million deaths have been reported globally.

According to our latest projections, global growth will slow from 3.5 % in 2022 to 3% this year and 2.9% next year, a 0.1% point downgrade for 2024 from our July projections. This remains well below the historical average. Headline inflation continues to decelerate, from 9.2% in 2022, on a year-over-year basis, to 5.9% this year and 4.8% in 2024. Core inflation, excluding food and energy prices, is also projected to decline, albeit more gradually than headline inflation, to 4.5% in 2024. (IMF October 2023)

The first years of this decade have heralded a particularly disruptive period in human history. The return to a “new normal” following the COVID-19 pandemic was quickly disrupted by the outbreak of war in Ukraine, ushering in a fresh series of crises in food and energy – triggering problems that decades of progress had sought to solve. As 2023 begins, the world is facing a set of risks that feel both wholly new and eerily familiar. We have seen a return of “older” risks – inflation, cost-of-living crises, trade wars, capital outflows from emerging markets, widespread social unrest, geopolitical confrontation and the spectre of nuclear warfare – which few of this generation’s business leaders and public policy-makers have experienced. These are being amplified by comparatively new developments in the global risks landscape, including unsustainable levels of debt, a new era of low growth, low global investment and de-globalization, a decline in human development after decades of progress, rapid and unconstrained development of dual-use (civilian and military) technologies, and the growing pressure of climate change impacts and ambitions in an ever-shrinking window for transition to a 1.5°C world. Together, these are converging to shape a unique, uncertain and turbulent decade to come. (WEF 2023)

For advanced economies, the expected slowdown is from 2.6% in 2022 to 1.5% in 2023 and 1.4% in 2024, amid stronger-than-expected US momentum but weaker-than-expected growth in the euro area. Emerging market and developing economies are projected to have growth modestly decline, from 4.1% in 2022 to 4.0% percent in both 2023 and 2024, with a downward revision of 0.1% point in 2024, reflecting the property sector crisis in China. Forecasts for global growth over the medium term, at 3.1%, are at their lowest in decades, and prospects for countries to catch up to higher living standards are weak. (IMF 2023)

Statistics South Africa (Stats SA) has issued the results of the Quarterly Labour Force Survey (QLFS) for Quarter 3: 2023. The working-age population increased by 140 000 or 0,3% in the third quarter of 2023 compared to the second quarter of 2023. Compared to Q3: 2022, the working-age population increased by 564 000 or 1,4%. The number of employed persons increased by 399 000 to 16,7 million in Q3: 2023, while the number of unemployed persons decreased by 72 000 to 7,8 million compared to Q2: 2023, resulting in an increase of 326 000 (up by 1,3%) in the number of people in the labour force. The number of discouraged work-seekers decreased by 26 000 (down by 0,8%) and the number of people who were not economically active for reasons other than discouragement also decreased by 160 000 (down by 1,2%) between the two quarters, resulting in a net decrease of 186 000 in the not economically active population.

The number of persons moved from the “not economically active” and “unemployed” statuses to the “employed” category between the two quarters, which resulted in a decrease of 0,7 of a percentage point in the unemployment rate to 31,9%. The labour force participation rate in Q3: 2023 was higher than that reported in Q2: 2023 as a result of these movements – increasing by 0,6 of a percentage point to 60,2%. The absorption rate increased by 0,9 of a percentage point to 41,0% in the third quarter of 2023 compared to the second quarter of 2023.

During the 2022 State of the Nation Address (SONA), President Ramaphosa indicated that for the 2023 SONA, focus is not on new plans or the full programme of Government rather, the SONA is concentrating on those issues that concern South Africans the most such as loadshedding, unemployment, poverty, crime and corruption. In that regard the 2024/25 APP should focus on actions that will make a meaningful progress now. It is expected that the department should fast track implementation of its commitments in alignment with the relevant twelve SONA Priorities.

The reporting period was not good for volumes shipped on cold treatment specialised refrigerated vessels. The USA market had seen a reduction in volumes shipped on this mode of transportation due to the floods, earlier in the year, which impacted packing schedules. The USA market had seen a decline of seven vessels has compared to last year. However there has been a significant increase on pallets shipped to Russia on the mode of transportation. Year to date there is a 29% shortfall on budgeted volumes on this mode of transportation. The shipping lines had indicated that they intend to use SRVs for the coming table grape season. This will assist in increasing the pallets shipped on this mode of transport.

In the Red Sea (entrance to the Suez Canal), the Houthi group's assaults on commercial vessels have sent shockwaves through the global supply chain and international trade. They have forced the world's largest shipping companies to change the routes of their ships. Exacerbating the crisis is the fact that the Panama Canal is also currently experiencing a disruption. Due to the drought, ship traffic in the canal has slowed down significantly. The El Nino climate pattern has led to the lowest October precipitation on record in Panama, resulting in a drought that has depleted water levels in the canal. In response, the Panama Canal Authority (ACP) limited the number of vessels passing through the waterway. The daily limit was lowered to 22 ships in December, down from the normal 36 vessels.

The ongoing logistical challenges with the South African ports remain of huge concern. The resignation of the Transnet CEO and other senior executives had resulted in much uncertainty within Transnet. Transnet is behind on their time frames on committed projects especially relating to repairs and obtaining new equipment. The port infrastructure challenges coupled with weather delays will be a receipt for major challenges within the port of Cape Town for the coming table grape season. A worrying factor is the R5.7 billion loss that Transnet had announced, as this will have an impact on the infrastructure and productivity within the port.

Year to date 164 604 containers were shipped nationally with perishable products. The container volumes are in line with the PPECB budget. However, the lower volumes of citrus fruit produced within some of the production regions did have a negative impact on container volumes. The floods and rain within the Western Cape negatively impacted some of the production regions and export volumes were lost. The challenges experienced within South African ports had created an opportunity for exports to be shipped from Walvis Bay. Many exporters had opted to load/stuff containers in the Northern Cape and truck the containers to Walvis Bay to be shipped.

With South Africa exporting roughly 60% of all fruit produced, the sector's potential for job creation is not limited to primary production, but even further down the value chain. This can be in the form of packing and cooling, marketing, various modes of transport, clearing and forwarding service providers or related professional services, among other things.

Access to international markets is paramount for sustainable growth and investments in the agricultural sector. On average about 55% of the agriculture value-added is generated from the export markets, indicating the importance of accessing the export markets. It is for this reason that negotiating for new export markets while maintaining good trade relations with the existing market has been the strategy and approach of DALRRD in the past four years. In 2022, South Africa's agricultural products were exported to more than 189 countries across the world. The country is also an importer of agricultural products, sourcing from more than 141 countries. In the past four years, DALRRD has opened the Philippines for citrus, Saudi Arabia and Kuwait for meat, China and Japan for avocados, just to name a few.

Below a graphical depiction of perishable produce pallets exported over a 5-year period Jan to end December 2023.

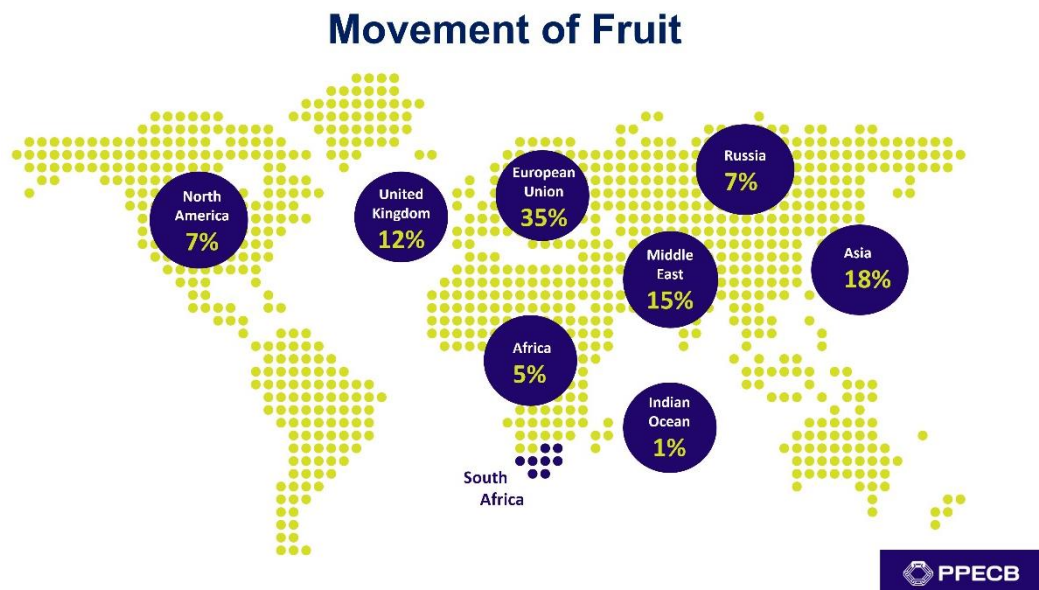


From a market perspective, the European Union (EU), excluding the United Kingdom (UK) remains the biggest importer of South African fruit with 35% during 2023, year to date, which was slightly higher compared to 2022. The UK took a further 12% of South African fruit volumes, which is in line with 2022. Based on reported figures, there were not significant changes in the export patterns from a South African point of view.

With Citrus Black Spot (CBS) still an unresolved issue in the EU, the South African citrus industry remains on high alert. For 2023, South Africa recorded 48 CBS interceptions in the EU, from 29 in the previous year, same period. False Codling Moth (FCM) became a regulated pest in the EU 2018 and 3 interceptions were recorded in EU in 2023 the same as in 2022. There was no Fruit Fly interception during this period. The citrus industry had decided to stop all exports to Europe on the 15 September 2023. However, the PPECB will continue to conduct inspections and provide cold chain services because no formal communication was received from DALRRD. Reports indicate that there was a notable reduction in shipping cost that has assisted to relieve pressure as compared to the previous two season.

Asia remains a market with huge potential for South African fruit, with 18% of fruit exported to this region during 2023 (year to date), which is 1% lower compared to 2022. The importance of increased market access to this region cannot be overemphasised. This decrease is due to an increase in exports to Europe.

Below a graphical depiction of the percentage of pallets exported to the major destinations (Jan-Dec 2023)



A projected export quantity of 330 000 tons of processed products and 3 million tons of total whole maize is estimated for exports for the 2023/24 marketing season. The year-to-date national inspected grain volumes are 2.8 million tons against an annual budget of 3 million tons. The management of PPECB recently attended the annual general meeting of the South African Cereals and Oil Seeds Trade Association (SACOTA). The PPECB management intends to build closer working relationships with SACOTA and become a member of the association. The supply and demand estimates at the end of September 2023 indicated that 420 000 tons of soybeans is estimated for export for the 2023/24 marketing season. South Africa appears set for another bumper maize crop in 2023/24, with the planted area expected to be very similar to last year.

During September 2023 export volumes were adversely affected by heavy rains and floods in the Western Cape province, resulting in export volumes decreasing. Most packhouses were affected by the floods and could not continue packing. Inspection and Cold Chain services were affected due to infrastructure damage to roads and bridges causing logistical issues with limited access to pack houses for a few days. The grape season was predicted be dry with very little rain disruption or damage during the harvesting period. During week 48 there was some rain experienced with very little impact or damage on crops. Week 51 saw 15-20mm of rain with no significant impact experienced as majority of the more sensitive cultivars had already been packed.

Global perishable produce exports remained extremely competitive and non-technical trade barriers (NTB's) becoming an even greater concern. Protectionism is on the rise with various countries opting to support their local economies, rather than importation. Consumer patters are changing and with a strong focus on quality, affordability, and convenience. South Africa therefore needs to differentiate itself by ensuring a better quality and delivering to the right markets at the right time. Here quality inspection standards, speed to market (given all the trade barriers) and export information is critical.

Volumes of major fruit products has seen an upswing over the past years, mainly due to new plantings and new varieties being introduced. Citrus fruit exports have stabilised and the volumes exported year to date (YTD), is slightly higher to the 2022/2023 season. The growth in volumes and the stricter market access conditions is expected to put significant pressure on the South African export industry that contributes around R60 billion to the economy. Furthermore, Grain products (mainly soya beans and maize) continue to show good growth and emerging products like blueberries and macadamia nut volumes are expected to increase, as they become more popular in eastern markets. These increases will call for urgent additional investment to ensure that the export

value chain can cope and that South African can remain a reputable exporter of perishable produce world-wide.

The need for increased connectivity and mobility has significantly raised the risk of cyber-attacks and data breaches over the last few years. It is therefore no surprise that both cyber-attacks and data breaches has catapulted to amongst the top 5 risks globally, with South Africa having the 3rd highest number of attacks. This immediately puts the credibility of systems under the spotlight as data breaches may have far reaching implications.

It is further believed that the following external factors will shape the business environment over the next three years:

- Client needs
- Technological advancements
- A competitive market environment
- Policy changes
- An increase in fruit export volumes
- Information security
- Change in the world order
- Protectionism

1.2 Internal Environment Analysis

The PPECB is constituted and mandated in terms of the Perishable Products Export Control Act (PPEC Act), No 9, of 1983 to perform cold chain services. The PPECB also delivers inspection and food safety services assigned by the Department of Agriculture, Land Reform and Rural Development under the APS Act, No.119 of 1990. The presence of the PPECB in the export industry is furthermore enhanced by its recognition as an approved third country under the European Commission Regulation 543 of 2011. This agreement recognises the South African inspection systems as equivalent to that of the EU inspection bodies and therefore ensures less frequent checks at the port of import into the EU. The PPECB is guided by the following:

Vision: Enabling our clients to become the preferred suppliers of perishable products worldwide.

Mission: Empowering our people to execute their mandate to give integrity to their clients' products.

Values : Collaboration, Integrity, Professionalism, Innovation, Agility, Accountability

Strategic Objectives:

- Enhance the credibility if the South African export certificate.
- Strengthen the PPECB's capacity to provide a professional suite of services to its clients.
- Support the export competitiveness of South African perishable products industries.
- Contribute to the socio-economic transformation of the agriculture sector.
- The PPECB's strategy is driven and executed by 4 main programmes:

Corporate Services Programme – this programme operates cross-functionally with the primary aim to deliver professional support services to the whole of the PPECB.

Operational Services Programme – This programme is responsible for delivering integrated inspection and cold chain services for the export market.

Food Safety Services Programme - The main objective of the Food Safety Programme is to ensure compliance to the regulations that are applicable to the South African standards on food safety and quality.

Transformation and Development Services Programme - The Transformation and Development Services Programme is aimed at building capacity through the development of internal and external skills.

In 2019, the PPECB Board approved a business strategy in support of the PPECB's medium term objectives. The strategy is directed to move the organisation from simply being a regulator to an enabler. The strategy is further in support of the PPECB's drive towards digitalisation to create further efficiencies.

Clients expect a consistent and more professional service as a bare minimum. Most clients operate globally, making mobile interaction crucial to the success of their businesses. Over the past few years, clients have also become accustomed to individualised service offerings, online interactions, and the availability of information at their fingertips.

As a regulator of perishable produce destined for export, the PPECB has a national footprint, holds critical export information, and is internationally renowned and ideally positioned to provide its clients with additional service offerings to support the competitiveness of their respective businesses and South Africa as a whole. The PPECB will therefore remain relevant and successful as an entity over the next three years by:

“Embracing technology to ease interaction and establishing ourselves as the industry leader for the provision of intelligent market information. We will further review our operational model to allow for digitisation and change in methodologies, whilst continuing to ensure compliance. We are committed to improve the overall client experience through innovation and continuous improvement.”

The PPECB must adapt its products, services and processes to make it more user-friendly and easier to do business. We will further introduce more products and services over and above our core services that will increase our overall value proposition to government and the industry. This will be achieved by continues development of the mobile technology platform to accommodate all operational modules in both product inspection and cold chain. Further to introduce an integrated ERP system as well as a centralized Human Capital Suite system to replace the current manual processes.

Both the organisation and individuals will need to put emphasis on continuous skills development. Individuals will need to develop different set of competencies which will enable them to cope with digitalisation. The competencies needed therefore will be a mixed bag consisting of behavioural, technical and practical competencies. This means it will not be enough to only have the knowledge, application also becomes important. In the Rapid Reskilling era unlimited, unrestricted access to learning is becoming the game changer. However, for us to harness the benefits of this unlimited, unrestricted access to learning we need to develop into self-directed, agile, learners with a strong growth mind-set.

The organisational culture required is one that promotes lifelong learning. All generations and types of employees will need to be given the opportunity to upskill themselves. This implies that learning will have to be on demand, bite sized and in different formats that can suit all types of learning styles. Employees also need the space to unlearn redundant competencies and re-learn what is relevant for the future.

The PPECB thus needs to evolve but this cannot be achieved by operating and behaving like an island. Collaboration internally and externally is key, and it is important that the evolution of the PPECB is a journey that includes all its ecosystem members DALRRD; suppliers; clients; service providers such as producers, pack houses, cold stores, exporters and clearing & forwarding agents; processes and services to move beyond silos and to co-create new opportunities for creating value and to innovate. We thus need to create the relevant business platforms as enablers.

To create value for our ecosystem members we need to do the following as a baseline:

- Increase our infrastructure stability and connectivity.
- Strengthen our business intelligence capacity and knowledge to provide accurate and complete information on time.
- Properly integrate innovation into the business.
- Speed up procurement.
- Properly understand stakeholder needs – internally as well as externally

- Deliver TITAN 2.0® and ERP on time.
- Ensure seamless integration between PPECB and client systems where possible (ERP, TITAN 2.0®).
- Discover new business models to deliver services cost effectively and quicker.

With these enablers in place more doors will open in future which will add to the PPECB's future sustainability.

Some of the key outcomes of the PPECB Transformation strategy are:

- to increase the number of women in leadership in PPECB,
- to provide dignified opportunities for people with disabilities to gain skills, qualification and work experiences, and
- to create opportunities for youth to gain skills, qualification and work experience in the industry.

To achieve the outcomes, the PPECB will continue with the following programmes:

- Women in Leadership with 6 candidates
- People with Disabilities with 6 candidates.
- Graduates in business support areas in addition to the AETP programme

The PPECB are also continuing with the flagship Agri Export Technologist Programme (AETP) is offered annually to unemployed and disadvantaged agriculture graduates. The 2022 target of 45 was exceeded, with 52 learners graduating with a National Certificate in Agri Export Technology. Upon completion, all learners received further seasonal employment opportunities with the PPECB.

Strategic Projects: TITAN 2.0® and ERP

TITAN 2.0®

From 1 April 2023 to 31 December 2023, a total of 242,444,785 cartons (94%) of all the products were inspected on TITAN 2.0® at 1072 different activity points. For the major products, a total of 236,081,469 cartons (96%) were inspected on TITAN 2.0®. The Citrus season came to an end and 98% of inspections was conducted via TITAN 2.0®. There were also a significantly high percentage (95%) of Avocado's and (99%) of Grapes being inspection on the digital platform. The Re-inspection enhancement change, went live on 15 June 2023, impacts re-inspection at cold stores and depots and allows all cold stores and depots to be able to submit re-inspection requests for inspections that were not initially conducted at their facility. In line with this change the TITAN 2.0® service request module has been enhanced to not require PUC, PHC or Food Safety certificates when the option for re-inspection has been selected. A total of 2,232,089 cartons re-inspections were done on the TITAN 2.0® platform, for the period (April 2023 – December 2023).

The TITAN 2.0® Sprint Planning Workshop was conducted on 07 December 2023. The prioritisation of change requests was discussed and during that process, the Electronic Consignment Note was brought forward as priority to address the printing and signing of consignment notes at pack house level. The other important change request that will be priority is the Amendments of product inspection information before and after the billing process. Sprint Planning sessions were also conducted in preparation for the 3-week sprints. There was an overall change freeze effected from 15 December 2023 to 08 January 2024, which applied to all infrastructure and applications within the production environment, during this period, limited work will be done.

There were also several late OIS requirements for the integration to the ERP system that resulted in a delay the prioritised changes that was required by business. Monthly Change Champion sessions are held for both Product Inspection and Cold Chain. Business Optimisation are in process of confirming the Change Champion capacity and the nomination of additional Champs, from the

regions. The roles of the Champs will be reviewed and aligned to the PPECB Client Support model that currently being implemented.

The following achievements were accomplished for the reporting period of 01 April 2023 to 31 December 2023.

- Re-Inspection module enhancement
- TITAN 2.0® Product Inspection (PI) module and Addendum module to pull Master data from MMDS.
- TITAN 2.0® and MMDS integration detail.
- Addendum 5-day error
- Validate that inspection booking start date is not in the future when an inspection message is sent by the client.
- Remove the link between the pack code and the product.
- Kenya special market for Pome Fruit
- Pears to China Special market.
- Validation of Pallet quantity and Carton quantity not to include Special Characters.
- Increase of orchard field length in e-Addendum.
- Performance issues on Addendum view resulting in delays with processing of certificates.
- Fruit age on e-Addendum is not Validating.
- A fix so that Re-Inspection messages (files) with multiple sequence do not validate the sequencing against the First Inspection data.
- Update the error messages on Product inspection validation when TUM is not reachable.

The following results were achieved per product on TITAN 2.0® from 01 April to 31 December 2023:

PRODUCT	BATCH	TITAN 2.0®	%TITAN 2.0®
Avocados	511,095	9,730,879	95.01%
Citrus Fruit	3,984,524	166,946,546	97.67%
Grapes	260,018	18,724,323	98.63%
Mangoes	65,167	235,992	78.36%
Litchis	142,940	235,635	62.24%
Other Fruit	4,441,757	5,891,684	57.02%
Pome Fruit	4,531,153	32,864,423	87.88%
Stone Fruit	387,439	7,815,298	95.28%
Grand Total	14,327,093	242,444,785	94.42%

56 486 Electronic Export Certificates were processed on the TITAN 2.0® platform for the period 01 April 2023 until the 31 December 2023. Previous year, for the same period there were 6 659 certificates processed electronically, which is an increase of 49 827 certificates. This number is also already exceeding the total certificates that were processed for the entire 2022/23 financial year (14 431). Most of the certificates were processed for Citrus and that amounts to 50 064 electronic certificates. There were some challenges experienced with Production areas, size/count validation, slowness of the system in processing electronic addendums and the split pallet information. However, all these matters were investigated, and solutions was implemented to address these challenges. The first electronic certificates were also processed in the Gauteng and Grabouw regions. With the deciduous season commencing, year to date 5 466 certificates were processed electronically for Pome fruit, Stone fruit and Grapes, compared to 1 991 for the same period during the previous financial year.

TITAN 2.0[®] Electronic Export Certificates

REGION	EXPORT CERTIFICATES
Cape Town Airport Office	33 669
Durban Office	8 019
Paarl Area Office	5 444
Port Elizabeth Office	9 154
Gauteng	162
Grabouw	38
TOTAL	56 486

Container Inspections

Enhancements were made on the container inspection module to be in line with the new financial system (ERP) for seamless billing. The weekend and public holiday change request was approved, and the stories were completed. The stories will go into development during early January. The TITAN 2.0[®] team have commenced internal user acceptance testing to determine functionality of release 2 (pre-trip, dual and calibration inspections). Thus far very positive results were obtained, and all functionalities are working well. Once the weekend and public holiday story is deployed into production, we can review going fully live with the container inspection module.

Export Notification (EN) / Container Loading

A total of 98% of all containers packed in the Northern Cape was done on the TITAN 2.0[®] platform. The containers were electronically booked by the forwarding agents and loaded also electronically loaded by the Assessors. The enhancement on the Assessor working programme was commissioned and the enhancements on the Lead Assessors working programme is work in progress. A task team has been established to review the requirements for non-food business operators to utilise TITAN 2.0[®].

Cold Storage Inspections

The development for this module commenced.

Organisational Linking

Non-Food Business Operators (FBOs) currently cannot utilise TITAN 2.0[®]. The current organization linking, and registration module only caters for clients that have FBOs and inspect and export regulated products under the APS Act. Clients exporting perishable products example marine, meat, confectionary products, under the PPEC Act cannot current make use of the TITAN 2.0[®] application. A newly launched architectural forum comprising of representatives from all departments was launched to review complex matters that is cutting across all departments. It is envisaged that the requirements for this change are major and will take a few months to develop and deploy.

Enterprise Resource Planning (ERP)

The PPECB has initiated the introduction of an Enterprise Resource Planning (ERP) system to replace its legacy NAVISION system. The ERP software selected is Microsoft Dynamics 365 with the implementation of the software the PPECB seeks to create further process efficiencies and an enhanced customer experience.

The implementation was done in 2 phases, Release 1 was successfully implemented on 15 November 2022, and these were mainly the Financial modules of D365. Release 2 went live 10 August 2023 and consisted of the more transactional, operational items of D365, including the time and expense module for all employees to capture their own time and expense claims thereby reducing the capturing burden on administrative employees.

The ERP will allow PPECB to:

- Automate and integrate business processes and data to bring about efficiencies in how to get work done and how to centrally enter, access and manage data.
- Integrate systems to meet client expectations of a consistent and professional service.
- Improve business intelligence and reporting capabilities.
- Improvement in the experience that customers, partners and vendors have whilst doing.

There have been challenges affecting the business and these are a combination of system issues and user issues. Many of the user issues have stabilised as evidenced by the drop in the volume of Support calls logged per day. However, the system challenges have remained. These are currently being tackled systematically in the order of priority where issues hindering Billing are top priority, followed by issues which could cause reputational damage, then enhancements which will minimise capturing errors and finally the list of post go live enhancements. Information was requested from the regional managers, regarding the challenges experienced by the employees that relates to Time and Expense process, for both completion and approval. A work group was established, and a meeting was set up with Altron Karabina (AK) to discuss the enhancements on 18 December 2023. The proposed changes will be investigated by AK and feedback will be provided to the working group.

1.3. Impact of COVID-19 on PPECB

South Africa moved out of the fourth wave of COVID-19 from January 2022. As of 23 June 2022, the South African government has done away with the remaining COVID-19 restrictions. In South Africa, from 3 January 2020 to 19 December 2023, there have been 4 072 636 confirmed cases of COVID-19 with 102 595 deaths, reported to World Health Organisation (WHO). As of 24 September 2023, a total of 41 798 812 vaccine doses have been administered. Employees continue to operate remotely as far as possible with a minimum requirement of two days in the office and they can also wear PPE if and when required.

For that reason, as of 31 December 2023, the entity has incurred **R167 000.00** since the beginning of the financial cycle, expenditure is indicated in the table below:

COVID-19 Expenditure	Year to date (R's thousand)
Medical & essential PPE (COVID-19)	0
Courier costs (COVID-19)	0
Deep Cleaning (COVID-19)	167
TOTAL	167

The PPECB will continue to scan the environment. Where necessary, re-prioritisation of projects will be done to ensure that the organisation remains financially sustainable. The PPECB will further persist with its people first approach and continue to safeguard our people against any resurgence of the pandemic.

PART C: MEASURING OUR PERFORMANCE

1. Institutional programme performance information

The focus of performance over the medium term will be on continued service delivery without compromising the integrity of product quality and continued contribution towards social responsibility including performing technical research and development; providing training and assistance to previously disadvantaged individuals and small farmers; and focusing on establishing a professional and well-trained staff compliment that can add value to the perishable export industry.

The priority area of the Statutory Operations programme will be to increase capacity of the workforce that is multi-skilled; competent; consistent and uniform in its inspection activities.

PPECB will continue to develop its mobile platform to conduct electronic export certification and introduce an integrated ERP system. The use of technology will create cost efficiencies in replacing the paper-based inspection/verification approach.

Performance will be monitored and managed through a system of relevant targets and metrics, leading indicators, data-enriched information and dialogue with stakeholders.

1.1 Programmes

Programme 1: Corporate Services

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

Purpose

The purpose of the programme is to support, provide direction, leadership, instil corporate discipline and promote the services of the PPECB.

Programme 2: Operational Services

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

Purpose

The purpose of the programme is mandate compliance and 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.

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 DALRRD.

With respect to food safety, the PPECB 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.

Purpose

The purpose of this programme is to ensure compliance to standards regarding food hygiene and food safety as promulgated in notice 707 of 13 May 2005. This is in line with the following European Commission (EC) directives; EC 178/2002, and EC 1525/1998 including the relevant Codex principles. The purpose of this is to enable South Africa continuous penetration of international markets and therefore increase its market share with regards to safe and quality foods.

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:

Graduate Placements, Internships and Learnerships

The PPECB offers a learnership at National Qualification Framework (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. The learnership programme is provided in partnership with the DALRRD and the Agri-SETA.

In collaboration with Agri-SETA, the PPECB provides job exposure in fields like ICT, Finance, Human Resources and Marketing to unemployed graduates. PPECB is also providing opportunities for students studying agriculture related qualifications to complete their qualifications by offering workplace exposure which contributes to the final requirement for the students graduating.

Youth, women and people with disabilities are given opportunities through internships and learnerships in the organisation programmes.

Internal Capacity Building

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 has also developed a Talent Framework to ensure that we focus on the development of women. 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. The new Human Capital Management Suite (HCM), which will be replacing the stand-alone legacy systems and spreadsheets to integrate disparate sources of our people information and ultimately optimise delivery. A project team is being compiled for this implementation. The HCM suite is an integrated system consisting of different modules such as:

- Learning
- Talent Management
- Leave
- Performance Management
- Recruitment / Talent Acquisition
- Health and Safety;

and will provide employees and managers with a single access point. The different modules will be implemented in a phased approach to minimise pressure on employees and increase chances of a successful implementation. The decision was made to start with the modules where the legacy system contracts are coming to an end to avoid unjustified expenses for the business.

Internal development focusses on women and trying to develop youth with potential as well as launching a learnership programme on youth with disabilities in 2021/2022, which is continuing in 2023/24. 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 learning and development specialists aim 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. The progress of the harmonisation programme for this financial year 2022/2023 is as follows: 20 Accelerated Skills Transfer Interventions (ASTIs) attended by 268 inspectors/assessors; 974 inspectors/assessors attended manual discussions; 332 concluded various refresher “koffers”; 834 inspectors/assessors wrote competency tests; 359 inspectors wrote the uniformity tests; 314 inspectors wrote the CBS tests; 648 inspectors/assessors were evaluated and deemed competent. The organisational performance indicators for harmonisation were met, and 98% of permanent operational employees were verified as competent in their technical skills against the target of 92% for Q4.

In the Fourth Industrial Revolution (4IR) landscape power skills (including collaboration, communication and empathy) are more important than ever. A New World of Work Leadership Re-skilling initiative for the Operational Management Committee (MANCO) team was therefore introduced. Apart from new theory, social learning in the form of facilitated peer coaching groups was provided for MANCO members to upskill them in Leading in Disruptive Times and Leading Hybrid Future Fit Teams. The Leadership Development Programme (LDP) was updated with 4IR leadership competencies. This supplementary skills training aims to ensure that leadership practices support the requirements of the new world of work. The 2023 intake of 21 learners are currently enrolled on the National Qualification Framework (NQF) Level 4. 19 Employees are enrolled on the NQF Level 5. The post-assessment results will be used to identify high-potential future leaders for the PPECB at the end of the 12-month learnership to support talent management for future leadership positions.

The organisational culture required is one that promotes lifelong learning. All generations and types of employees will need to be given the opportunity to upskill themselves. This implies that learning will have to be on demand, bite sized and in different formats that can suit all types of learning styles. The policies and procedures that are put in place should encourage the unlimited, unrestricted access to learning mentioned above. Innovation should be encouraged, and people be allowed to explore, experiment and fail without fear of being punished. Employees also need the space to unlearn redundant competencies and relearn what is relevant for the future.

Smallholder Farmer Development

The Learning and Development department's services also 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 DALRRD, and Provincial Departments of Agriculture and services all provinces in South Africa. Collaboration not only extends to sister SOE's but also to commercial development partners.

1.2 Sub Programme (not applicable)

1.3. Outcomes, Outputs, Performance Indicators and Targets

Programme 1: Corporate Services			Audited Performance			Estimated performance	MTEF Targets		
Outcome	Output	Output Indicators	2020/2021	2021/2022	2022/2023	2023/2024	2024/2025	2025/2026	2026/2027
Contribute to the socio-economic transformation of the agricultural sector	Transformed Business to allow black business to participate in SA economy	% of money spent on B-BBEE suppliers	85%	89%	95%	87%	80%	80%	80%
Strengthen the PPECB's capacity to provide a professional suite of services for its clients	Financial Sustainability	Actual General Reserve as % of Required General Reserve	-	-	-	-	66%	70%	75%
Strengthen the PPECB's capacity to provide a professional suite of services for its clients	Financial Sustainability	Asset Turnover Ratio	-	-	-	-	2.96	3.05	3.15
Contribute to the socio-economic transformation of the agricultural sector	Transformed Business to allow black business to participate in SA economy	Rand value on ESD spend (R'million)	-	-	-	-	R2.10	R2.30	R2.50
Strengthen the PPECB's capacity to provide a professional suite of services for its clients	Informed and Satisfied Stakeholder Base	Organisational customer satisfaction index measured annually as a %	84%	90%	89%	80%	80%	80%	80%

Programme 2: Operational Services			Audited performance			Estimated performance	MTEF Targets		
Outcome	Output	Output Indicators	2020/2021	2021/2022	2022/2023	2023/2024	2024/2025	2025/2026	2026/2027
Support the export competitiveness of South African perishable products industries	Efficient service delivery through client subscriptions on e-platforms	Number of export certificates processed via the electronic platform*	-	-	-	-	60000	65000	70000
		% of container inspection conducted via the TITAN 2.0®	-	-	-	-	80%	85%	90%

Programme 3: Food Safety Services			Audited Performance			Estimated performance	MTEF Targets		
Outcome	Output	Output Indicators	2020/2021	2021/2022	2022/2023	2023/2024	2024/2025	2025/2026	2026/2027
Enhance the credibility of the South African Export certificate	Confidence in SA Food Safety Assurance systems	Number of tests carried out during sample analysis using accredited methods*	18562	19409	19575	18500	20000	21000	22000
		Number of food safety audits conducted*	1286	1304	1036	1000	1050	1100	1150

Programme 4: Transformation and Development Services			Audited performance			Estimated Performance	MTEF Targets		
Outcome	Output	Output Indicators	2020/2021	2021/2022	2022/2023	2023/2024	2024/2025	2025/2026	2026/2027
Contribute to the socio-economic transformation of the agricultural sector	Capacity Building	Number of students graduated through the Agri Export Technologist Learnership Programme (AETP) programme annually	42	48	52	48	50	50	50
	Capacity Building	Number of Graduate Placements*	-	-	-	-	8	8	8
	Market Access	Number of smallholder farmers certified for export*	129	89	105	80	60	60	60
	Capacity Building	Number of smallholder farmers trained*	53	302	721	500	600	600	600
	Competent staff	% of permanent Technical Professionals (Inspectors and Assessors) evaluated as technically competent*	95%	92%	98%	92%	92%	93%	93%

1.4 Output Indicators: Annual and Quarterly Targets 2024/2025

Programme 1: Corporate Services	2024/2025	Quarterly Targets			
Output Indicators	Annual Target	Q1	Q2	Q3	Q4
% of money spent on B-BBEE suppliers*	80%	75%	76%	78%	80%
Actual General Reserve as % of Required General Reserve*	66%	85%	112%	68%	66%
Asset Turnover Ratio*	2.96	0.75	1.45	2.00	2.75
Rand value on ESD spend (R'million)*	R2.10	R1.00	R1.40	R1.80	R2.10
Organisational customer satisfaction index measured annually as a %**	80%	-	-	-	80%

Programme 2: Operational Services	2024/2025	Quarterly Targets			
Output Indicators	Annual Target	Q1	Q2	Q3	Q4
Number of export certificates processed via the electronic platform*	60000	17500	50000	56000	60000
% of container inspection conducted via the TITAN 2.0®*	80%	20%	50%	70%	80%

Programme 3: Food Safety Services	2024/2025	Quarterly Targets			
Output Indicators	Annual Target	Q1	Q2	Q3	Q4
Number of tests carried out during sample analysis using accredited methods*	20000	5000	10000	15000	20000
Number of food safety audits conducted *	1050	250	500	700	1050

Programme 4: Transformation and Development Services	2024/2025	Quarterly Targets			
Output Indicators	Annual Target	Q1	Q2	Q3	Q4
Number of students graduated through the Agri Export Technologist Learnership Programme (AETP) programme annually**	50	-	-	-	50
Number of Graduate Placements*	8	2	4	6	8
Number of smallholder farmers certified for export*	60	5	30	45	60
Number of smallholder farmers trained*	600	150	300	450	600
% of permanent Technical Professionals (Inspectors and Assessors) evaluated as technically competent*	92%	80%	85%	88%	92%

* These targets are cumulative

** These targets are annual

1.5 Explanation of planned performance over the medium-term period

The PPECB's strategy is driven and executed by four main programmes four Strategic Programmes (Programme 1: Corporate Services, Programme 2: Operational Services, Programme 3: Food Safety Services, Programme 4: Transformation and Development Services) with the following priorities:

- Further improve the client experience through seamless integration with PPECB systems (external)
- The provision of relevant and timeous export and shipping information and market trends to enhance the competitiveness of the industry (Business Intelligence)
- Continuous improvement through a process of transformation, innovation, and digitalization
- Improved business efficiencies to ensure effective service delivery and contain cost
- Improved business sustainability for black small holder farmers and suppliers

The organisational culture required is one that promotes lifelong learning, which includes measuring and finding opportunities to enhance performance.

All programme's deliverables are aligned to ensure that the credibility of South African Export Certificate is maintained to prevent markets from closing by ensuring the business delivers on its delegated mandate, remains sustainable and complies to recognized governance practices.

Our service delivery and transformation programme's performance is focussed on creating confidence in South Africa's capability to deliver products that meet global standards and at the same time enabling previously disadvantaged communities to become economically participative in export programmes. This will be done through the training and development programmes and sound application will be audited by our food safety and quality inspection programmes.

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 Transformation and Development Services Programme is aimed at building capacity through the development of internal and external skills. The PPECB puts a lot of emphasis in capacity building by providing development opportunities to both internal and external stakeholders. 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.

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 learning and development specialists aim 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.

Development initiatives are run on a collaborative basis with the DALRRD, and Provincial Departments of Agriculture and services all provinces in South Africa. Collaboration not only extends to sister SOEs but also to commercial development partners.

PPECB's food safety programme deliverables are to:

- Ensure consistent production of safe and quality products by reducing risks of compromised food quality.
- Maintain 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.
- Promote safe production practices for growers through food safety audits and strengthening national food control systems.
- Reduce the negative impact on the environment by ensuring compliance to regulations.

- Reposition the PPECB Laboratory to provide further support to DALRRD and promote the export of safe food.
- Introduce Verified Gross Mass (VGM) as an additional service offering.

The effectiveness of PPECB's services will be evaluated by PPECB's stakeholders. PPECB will continuously seek and introduce innovative initiatives to improve efficiencies. Any shortcomings or areas for improvement identified are to be addressed and included in ISO 9001:2015 practices.

1.6 Programme Resource Considerations

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

R thousand	Audited outcome			Revised Estimate (B2024)	Average Growth Rate %	As % of Total %	Medium-term estimate					Average Growth Rate %	As % of Total %
	2020/21	2021/22	2022/23	2023/24	2021 to 2024	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2025 to 2029	2028/29
PROGRAMME													
Corporate Services	111,544	141,780	162,555	213,059	24%	36%	227,237	242,579	259,217	277,362	296,777	7%	33%
Statutory Services	311,688	340,150	386,352	427,416	11%	73%	448,617	470,782	493,950	518,648	544,580	5%	60%
Food Safety Services	25,374	27,011	28,761	34,041	10%	6%	35,712	37,447	39,250	41,212	43,273	5%	5%
Transformation & Development Services	15,627	18,076	6,385	15,415	31%	3%	16,166	16,943	17,747	18,635	19,567	5%	2%
TOTAL EXPENSES	464,233	527,017	584,053	689,931	14%	117%	727,732	767,751	810,164	855,857	904,197	6%	100%

The Perishable Products Export Control Board is a Schedule 3A National Public Entity which is self-funded. The entity does not receive allocations or grants from Government and as such is funded by raising statutory fees (levies) which is approved by its Accounting Authority, the Department of Agriculture, Land Reform and Rural Development. The PPECB follows a priority planning expenditure framework. This framework is guided by the entity's five-year strategic plan. The PPECB's planning expenditure framework currently prioritizes the following:

- implementation of an Enterprise Resource Planning (ERP) system
- further development of the PPECB's TITAN 2.0[®] electronic inspection platform
- procurement of a Human Capital Management Suite (HCM)
- expansion of the analytical laboratory

To ensure the successful achievement of these strategic objectives, material funding is required. This is provided through the entity's General Reserve Fund in terms of Sections 11(f) and 18(7) of the Perishable Products Act 9 of 1983 due to it being self-funded and to mitigate the reliance on excessive statutory fee (levy) increases. Given the current constrained fiscal environment, the PPECB's prudent approach would include the continued utilization of its general reserve fund to alleviate requesting financial assistance from the fiscus.

Note : The figures noted above are as at 31 October 2023. During the last rollout phase of the ERP project some challenges were encountered and therefore resulted in a delay with the processing of financial documents and the latest figures could not be obtained by 31 January 2024.

2. Updated Key Risks and Mitigations

Below is a summary of the key risks and mitigations.

Outcomes	Key Risks	Risk Mitigations (Current controls and Actions)
Strengthen the PPECB's capacity to provide a professional suite of services for its customers.	Failure to achieve customer centric/enabling culture and behaviours to promote positive performance	<ul style="list-style-type: none"> • Approved and implemented Change Management Strategy • Approved and implemented new business strategy. • Equip leaders through Leadership Development Programme (LDP) • Coaching and mentoring initiatives • Utilising existing Forums to raise continuous awareness and to ensure satisfaction of internal and external clients (Employee Connect Sessions, MANCO, TES, EXCO, Pre-season meetings; regional Customer satisfaction survey [Q78]) • Employee Wellness Sessions • Remote working guidelines • Annual Culture Survey • Annual Customer Satisfaction survey • Claim form to be completed by complainants when claim arises. • Purpose has been defined. • Reinforce high-performance culture. • Training/re-training on compliance to work instructions and actions to be taken against responsible employee following investigation to mitigate against risk of claims. • Implementation of updated PPECB values relevant to the new business strategy • Additional benefits for identified critical and scarce skills. • Action plans were drafted and updated by management and EXCO, the Board was informed. • Implementation of Customer Support Model
Strengthen the PPECB's capacity to provide a professional suite of services for its customers.	Increased risk of Cyber attacks and information security threats	<ul style="list-style-type: none"> • Monthly patch management for Windows, servers and desktops being conducted and remedial action applied. • Monitoring of anti-virus and firewall, ensuring reports are being checked and implemented. • Password management • Internet lock down • Firewall rules have been reviewed quarterly and contracts have been reviewed. • Monthly vulnerability scanning • Continuous monitoring of backup systems (move to action) • ICT policies in place (awareness) specifically ICT Control of Access Policy which regulates access control and storing of information. Acceptable Use Policy which regulates use of VPN and WI-FI • Appointed Cyber security officer who reviews security measures. • User and device registration process • Incident response
Support the export competitiveness of South Africa's	Disruption of PPECB services due to Industrial Action and declining South	<ul style="list-style-type: none"> • PPECB check daily on the availability of stock at container depots and the frequency of inspections required. • Rejected stock, once rectified is re-inspected immediately.

Outcomes	Key Risks	Risk Mitigations (Current controls and Actions)
perishable products industries	African infrastructure i.e. Ports, rolling blackouts, Drought, Internet, Connectivity	<ul style="list-style-type: none"> • PPECB distributes weekly container inspection statistics to industry. • PPECB supply statistics around fruit age to DALRRD and Industry as required. • Provision of resources for 24 hr container loading. • COO on advisory logistical FPEF committee) • Weekly meetings between PPECB/DALRRD/Transnet/CGA/Depots/Cold stores/Shipping lines to discuss process and alternate shipping opportunities. • Monitoring oversight of operational activities • Implementation of UPS backup power for ICT equipment (implementation of identified site UPS on HC Operational register) • Geographical spread of products lessens the impact of the drought
Support the export competitiveness of South Africa's perishable products industries	Sustainability and Inflexibility of current operating model and associated legislation may adversely impacts costs (under) recovery and operational resilience	<ul style="list-style-type: none"> • Implementation of Laboratory turnaround strategy • Effective resource planning and proper budget planning prior to budget cycle in alignment with ICT asset management and licensing (annual) • Data Governance forum and policy • Review of costing/funding model pending implementation of a reliable data source • Ongoing Review of the business operating model to create efficiencies (Dependent on costing/funding model) • Assist DALRRD and Industry with Market Access initiatives • High value asset committee • Verification done at monthly asset management meeting to verify number of assets against issued assets
Strengthen the PPECB's capacity to provide a professional suite of services for its customers. Enhancing the credibility of the export certificate	Unsuccessful implementation of ERP adversely impacting PPECB ability to deliver business value, system integration and collate business intelligence.	<ul style="list-style-type: none"> • Steering committee oversight over ERP (Microsoft Dynamics software, excluding HCM) and Road Map, which includes Gartner / Internal Auditors to ensure successful implementation. • Internal project management processes and governance in place. • Internal auditors appointed to provide assurance on implementation and quality. • Cloud Service Provider Agreement • Business Analysts recruited to document AS-IS processes and measures for Benefit Realisation • Master Data assurance project and data governance forum to ensure alignment between ERP, TITAN 2.0®, and NAV for key operational components. • Appointment of an ERP Implementation Partner • Develop ERP implementation project plan with milestone. • Actions are managed through Project risk management and monitored by Steerco and material risks will be elevated to the Strategic Register through RISCO as necessary. • Staggered go-live approach; actions and consequences are monitored by Steerco; • Steerco meetings held and Service Provider on site (War Room) to assist with resolving of billing and data issues.

Outcomes	Key Risks	Risk Mitigations (Current controls and Actions)
Strengthening the PPECB's capacity to provide a professional suite of services for its customers	Non-compliance with the APS mandate, PPEC Act, POPIA, Competitions Act and other legislation and ability to respond to mandate changes that may adversely impact people, process and reputation	<ul style="list-style-type: none"> • The Board is the accounting authority that provides oversight • Operations workforce resource planning ensures effective and efficient delivery of core services and processes • Supplier development program • DALRRD conducts audits on regulatory processes • Automation of controls in ERP system comply with certain legislation, governance measures/regulatory standards • Internal and external audits (ISO, Financial etc) (External audits are annual and Internal audits according to agreed audit plans/ad hoc audits upon request) • Approval of updated regulations to the current PPEC Act 1983 • Creating Awareness of Asset management Policies and Consequence management
Strengthen the PPECB's capacity to provide a professional suite of services for its customers. Enhancing the credibility of the export certificate	Transfer of PPECB functions to the Border Management Authority in so far as it relates to border management functions	<ul style="list-style-type: none"> • Obtaining Sign off of Implementation Protocol
Strengthen the PPECB's capacity to provide a professional suite of services for its customers.	Unsuccessful implementation of Human Capital Management Suite	<ul style="list-style-type: none"> • Signed Oracle Contract for implementation of the HCM • Finalisation of Project Plan with timeframes • Actions are managed through Project risk management and monitored by Steerco and material risks will be elevated to the Strategic Register through RISCO as necessary

3. Public Entities (not applicable)

Not applicable

4. Infrastructure Projects (not applicable)

Not applicable.

5. Public-Private Partnerships (not applicable)

Not applicable.

PART D: TECHNICAL INDICATOR DESCRIPTIONS

PROGRAMME 1: CORPORATE SERVICES	
Indicator Title	Procuring from B-BBEE suppliers as % of total procurement spend.
Definition	Procurement from BBEE Suppliers.
Source of data	D365 Procurement Spending per Supplier Category.
Method of Calculation	Rand value procured from BBEE suppliers as a % of total procurement value.
Means of verification	Automated report was tested for accuracy on implementation.
Assumptions	All suppliers are correctly categorised on D365.
Disaggregation of beneficiaries	N/A
Spatial Transformation	N/A
Calculation Type	Cumulative
Reporting Cycle	Quarterly
Desired Performance	Achieve the targeted % of procuring goods from BBEE suppliers.
Indicator Responsibility	CFO / Procurement Manager

Indicator Title	Actual General Reserve as % of Required Reserve
Definition	Actual General Reserve as % of Required Reserve to sustain operating activities.
Source of data	Financial Statements
Method of calculation	Reflect the Actual General Reserve Balance against Budgeted Trial Balances.
Means of verification	As per D365 Financial Statements, which are audited at the end of a financial year.
Assumptions	None
Disaggregation of beneficiaries	N/A
Spatial Transformation	N/A
Calculation type	Cumulative
Reporting cycle	Quarterly
Desired performance	Achieve the budgeted reserve level, which is supported by an actuarial valuation and approved by the board.
Indicator responsibility	CFO / Financial Accountant

Indicator Title	Asset Turnover Ratio
Definition	The efficiency with which assets are used to generate Income.
Source of data	Financial Statements
Method of calculation	Reflect the Actual General Reserve Balance against Budgeted Trial Balances.
Means of verification	As per D365 Financial Statements, which are audited at the end of a financial year.
Assumptions	Fixed Assets are acquired as per procurement plan.
Disaggregation of beneficiaries	N/A
Spatial Transformation	N/A
Calculation type	Cumulative
Reporting cycle	Quarterly
Desired performance	The assets of PPECB are efficiently used to generate income
Indicator responsibility	CFO / Financial Accountant

Indicator Title	Rand value on ESD spend
Definition	Rand value invested in the Development of BBBEE Suppliers.
Source of data	Transactions processed in D365.
Method of calculation	Total rand value of expenses that meet the criteria of ESD.
Means of verification	Verify with Trial Balance.
Assumptions	All ESD transactions are approved and correctly allocated.
Disaggregation of beneficiaries	N/A
Spatial Transformation	N/A
Calculation type	Cumulative
Reporting cycle	Quarterly
Desired performance	Achieve the ESD spending on BBBEE suppliers.
Indicator responsibility	CFO / Procurement Manager

Indicator Title	Organisational customer satisfaction index measured annually as a %
Definition	Reporting on the percentage of customers who are satisfied with the service provided by the PPECB.
Source of data	The data is gathered from the annual Customer Satisfaction Survey conducted by the Marketing and Communications Manager.
Method of calculation	Respondents to the Customer Satisfaction Survey are asked to rate the PPECB's customer service levels on a scale of 1% to 100%. The percentages are then averaged to obtain the final score.
Means of verification	Customer Feedback Survey
Assumptions	N/A
Disaggregation of beneficiaries	N/A
Spatial Transformation	N/A
Calculation type	Non-cumulative
Reporting cycle	Annually
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	Marketing and Communications Manager

PROGRAMME 2: OPERATIONAL SERVICES	
Indicator Title	Number of export certificates processed via the electronic platform.
Definition	Number of export certificates that is processed via the PPECB electronic TITAN 2.0® platform.
Source of data	Monthly report from PPECB mobile technology system.
Method of calculation	Number of export certificates submitted for approval on a monthly basis via the PPECB electronic platform.
Means of verification	TITAN 2.0® (mobile application) compared to system generated report.
Assumptions	N/A
Disaggregation of beneficiaries	N/A
Spatial Transformation	N/A
Calculation type	Cumulative
Reporting cycle	Quarterly
Desired performance	Desired performance is to achieve the targeted number of export certificates processed electronically, for the fiscal year.
Indicator responsibility	General Managers : Operations / Application Development Manager

Indicator Title	Number of container inspection conducted via the Titan 2.0® platform.
Definition	Percentage of container inspections conducted using TITAN 2.0®
Source of data	Monthly report from PPECB mobile technology system
Method of calculation	Number of container inspections conducted using TITAN 2.0® divided by the total number of container inspections for a financial year.
Means of verification	TITAN 2.0® (mobile application) compared to system generated report
Assumptions	N/A
Disaggregation of beneficiaries	N/A
Spatial Transformation	N/A
Calculation type	Cumulative
Reporting cycle	Quarterly
Desired performance	Desired performance is to achieve the targeted percentage of containers inspected on TITAN 2.0® for the fiscal year
Indicator responsibility	General Managers: Operations

PROGRAMME 3: FOOD SAFETY SERVICES	
Indicator Title	Number of tests carried out during sample analysis using accredited methods*
Definition	Samples analysed for testing as per the DALRRD mandate for pesticides, mycotoxins and compositional dairy testing for export and the local market.
Source 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 analysed for different tests are counted by the LIMS automatically as received at sample reception.
Means of verification	Laboratory information management system (LIMS)

Assumptions	N/A
Disaggregation of beneficiaries	N/A
Spatial Transformation	N/A
Calculation type	Cumulative
Reporting cycle	Quarterly
Desired performance	A higher than target performance is preferred, as increased samples analysed for testing is indicative of compliance to food and feed safety regulations and may also be indicative of increased exports.
Indicator responsibility	Laboratory Manager

Indicator Title	Number of food safety audits conducted
Definition	Reporting on the number of Export Food Business Operators who were SAGAP (R707) certified in a quarter
Source 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
Means of verification	Food Safety Audit Reports
Assumptions	N/A
Disaggregation of beneficiaries	N/A
Spatial Transformation	N/A
Calculation type	Cumulative
Reporting cycle	Quarterly
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	
Indicator Title	Number of students graduated through the Agri Export Technologist Learnership Programme (AETP) annually
Definition	This is the number of people who fulfil all the requirements of the learnership who are then awarded with an NQF level 5 qualification after their Portfolios of Evidence have been assessed and moderated.
Source of data	Certificates issued by SETA.
Method of calculation	The indicator is calculated through stipulating the number of students graduated (who successfully meet the final requirements of the learnership)
Means of verification	Agri Seta Certificates
Assumptions	N/A
Disaggregation of beneficiaries	N/A
Spatial Transformation	N/A
Calculation type	Non-cumulative
Reporting cycle	Annually
Desired performance	All registered students graduate after course completion and get employment in the sector.
Indicator responsibility	Learning and Development Manager

Indicator Title	Number of Graduate Placements
Definition	Reporting on the number of graduate placements provided by the PPECB Support Services to provide workplace exposure to unemployed youth. (previously known as internships")
Source of data	The data is collected from the ATS and Payroll systems.
Method of calculation	A count of the number of graduate placements
Means of verification	The applicant data is collected from the ATS and employment data from the payroll systems and reconciled into a report.
Assumptions	N/A
Disaggregation of beneficiaries	N/A
Spatial Transformation	N/A
Calculation type	Cumulative
Reporting cycle	Quarterly
Desired performance	Increasing the number of graduate placements (previously known as internships") provided by the PPECB Support Services provides a qualified talent pool for Support Services in addition to providing workplace exposure to unemployed youth and contributing to job creation. The PPECB have made a number of successful placements from this programme over the past 5 years,
Indicator responsibility	Human Capital Executive

Indicator Title	The number of smallholder farmers trained
Definition	The number of smallholder farmers trained by PPECB.
Source 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
Means of verification	Attendance Registers
Assumptions	N/A
Disaggregation of beneficiaries	N/A
Spatial Transformation	N/A
Calculation type	Cumulative
Reporting cycle	Quarterly
Desired performance	Performance which is higher than the target is desirable as this means that more smallholder farmers have an awareness of post-harvest activities
Indicator responsibility	Organisational Development & Transformation Manager

Indicator Title	Number of smallholder farmers certified for export
Definition	Reporting on the number of smallholder farmers who attained SAGAP (R707) certification in a quarter
Source 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 smallholder farmers
Means of verification	SA Gap Certificates
Assumptions	N/A
Disaggregation of beneficiaries	N/A
Spatial Transformation	N/A
Calculation type	Cumulative
Reporting cycle	Quarterly
Desired performance	Performance which is higher than the target is desirable as this means that more smallholder farmers have gained market access
Indicator responsibility	Organisational Development & Transformation Manager

Indicator Title	Percentage of permanent Technical Professionals (Inspectors and Assessors) evaluated as technically competent.
Definition	Reporting on the percentage of permanent Inspectors and Assessors evaluated as competent by an independent Learning and Development Product and Cold Chain Specialist within a 4-year cycle. 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.
Source of data	The data is gathered from specialists within the Learning and Development Department which has a national footprint in all PPECB regions. A seasonal plan is followed and the competence status of the inspectorate reported quarterly.
Method of calculation	The number of technical professionals evaluated as competent expressed as a percentage of the total number of technical professionals.
Means of verification	Evaluation report
Assumptions	N/A
Disaggregation of beneficiaries	N/A
Spatial Transformation	N/A
Calculation type	Cumulative
Reporting cycle	Quarterly
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	Learning and Development Manager

ANNEXURE A : GLOSSARY OF ACRONYMS & ABBREVIATIONS

AETP	Agri Export Technologist Learnership Programme
AK	Altron Karabina
APAP	Agricultural Policy Action Plan
APHIS	Animal and Plant Health Inspection Services of USDA
API	Application Programming Interface
APS	Agricultural Product Standards Act
B-BBEE	Broad Based Black Economic Empowerment
BI	Business Intelligence
BMA	Border Management Authority
BRC	British Retail Consortium
BREXIT	British exit from the European Union
BRICS	Brazil Russia India China South Africa
CAPEX	Capital Expenditure
CBS	Citrus Black Spot
CGA	Citrus Growers Association
COVID-19	Coronavirus
CPUT	Cape Peninsula University of Technology
CRI	Citrus Research Institute
DAFF	Department of Agriculture, Forestry and Fisheries
DALRRD	Department of Agriculture, Land Reform and Rural Development
eCert	Electronic Certification
EC	European Commission
EN	Export Notification (TITAN 2.0® cold chain)
EME	Exempted Micro Enterprises
ERP	Enterprise Resource Planning
EU	European Union
FBO	Food Business Operator
FCM	False Codling Moth
GAP	Good Agricultural Practices
GDP	Gross Domestic Product
Global GAP	Global Good Agricultural Practices
HACCP	Hazard Analysis and Critical Control Point
HCM	Human Capital Management Suite (Oracle)
ICT	Information and Communication Technology
IMF	International Monetary Fund
ISO	International Standard Organisation
KPA	Key Performance Areas
KPI	Key Performance Indicator
LDP	Leadership Development Programme
LIMS	Laboratory Information Management System
MAFF	Japanese Ministry of Agriculture, Forestry and Fisheries
MMDS	Multichannel Multipoint Distribution Service
MRL	Maximum residue level

MTEF	Medium Term Expenditure Framework
MTSF	Medium Term Strategic Framework
NAV	Navision (Finance Application)
NDP	National Development Plan
NEDLAC	National Economic Development and Labour Council
NGO	Non-Governmental Organisation
NGP	National Growth Path
NQF	National Qualification Framework
PAIA	Promotion of Access to Information Act
PDI	Previously Disadvantaged Individuals
PFMA	Public Finance Management Act
POPIA	Protection of Personal Information Act
PPE	Personal Protective Equipment
PPECB	Perishable Products Export Control Board
PUC	Production Unit Code
PHC	Packhouse Code
PWD	Persons with Disabilities
QSE	Qualifying Small Enterprises
QLFS	Quarterly Labour Force Survey
RMS	Risk Management System
S&T	Subsistence & Travel allowance
SACOTA	South African Cereals and Oil Seeds Trade Association
SAGAP	South Africa Good Agricultural Practices
SATAWU	South African Transport Allied Workers Union
SETA	Sector Education and Training Authorities
SLA	Service Level Agreement
SOE	Stated Owned Entities
SONA	State of the Nation Address
SOP	Standard Operation Procedure
SRV	Specialist Refrigerated Vessel
TITAN 2.0®	PPECB Mobile Application
TUM	Tracking Unit Manager
UK	United Kingdom
UNTU	United National Transport Union
USA	United States of America
USDA	US Department of Agriculture
VGM	Verified Gross Mass
WMO	World Meteorological Organization
WHO	World Health Organisation