

CHIEF EXECUTIVE OFFICER'S FOREWORD



THE PERIOD UNDER REVIEW WILL PROBABLY BE MARKED AS ONE OF THE MOST CHALLENGING PRODUCTION SEASONS IN RECENT TIMES. THE SEVERE DROUGHT AND ASSOCIATED HEAT HAD A SEVERE IMPACT ON SOUTH AFRICAN CROPS ACROSS PRODUCT GROUPS

In addition to this, the Rand plummeted to record lows against major currencies, and devaluated 23% against the US Dollar and 29% against the Euro, serving as a stark reminder of the volatility of our current economic climate. Apart from leaving medium- to long-term scars on the agricultural sector, the dry season resulted in an overall shortage of grain to meet the local demand.

Notwithstanding the challenging ecological and economic conditions, the PPECB managed to maintain much needed momentum during the period under review. The PPECB's mantra for 2015/2016 was building and improving stakeholder relations and service excellence as well as creating a culture of accountability. The organisation further made a concerted effort to manage overall expenditure by following a strategy of consolidation in order to improve efficiencies.

The year under review saw the PPECB's business processes once again withstand rigorous scrutiny by the appointed Certification Body and hence managed to maintain its ISO 9001:2008 accreditation. In terms of the organisation's Food Safety mandate, the PPECB Board has further agreed to capacitate the PPECB Laboratory in Centurion by extending its

scope to include the full spectrum of Maximum Residue Limit (MRL) analysis to the existing basket of services. Being an ISO 17025 accredited facility, it is believed that with the addition of MRL analysis, the PPECB Laboratory is well positioned to assist the perishable produce industry by ensuring the exportation of compliant produce.

The PPECB's mobile technology project – Project Titan – made definite headway during the past deciduous season with 30% of produce being inspected using this platform. The 2015/2016 fiscal year ended with 18 registered exporters and 354 activity points actively utilising Project Titan. With the increased amount of mobile users, it was necessary to fully overhaul and upgrade the organisation's Information and Communications Technology (ICT) infrastructure in order to ensure a more stable platform and improved network speed. To this end, the PPECB managed to replace 15 of its regional servers, introduced Skype for Business and put additional measures in place to ensure recovery of data in the event of a disaster. In addition to the improved network infrastructure, having faster connectivity will allow the business to gradually reduce travelling by utilising digital communication platforms, where possible.

The uncertainty regarding the European Union's stance on Citrus Black Spot (CBS) exports from South Africa remains a concern and one of the single biggest threats to the South African fruit export industry. A Food and Veterinary Office (FVO) audit conducted during 2015 indicated that South African export systems and processes are robust and controls introduced are satisfactory. It was further reported that no additional CBS controls will be recommended for the 2016 citrus season, but a maximum of five interceptions will remain until further notice. Measures introduced to identify CBS early in the value chain placed significant strain on all structures within the chain and necessitated the appointment of 60 additional PPECB employees, mainly within the inspection services divisions. It is however essential that this matter be addressed, as Europe remains South Africa's main export destination for fresh fruit, with 32% of citrus exported to Europe in 2015/2016.

The organisation also made a concerted effort to expand its Corporate Social Investment (CSI) agenda, and hosted another successful charity golf day, where R50 000 was collected and donated to the selected charity, the Home of Hope. The PPECB furthermore managed to improve its Broad-Based Black Economic Empowerment (B-BBEE) rating and was verified as a Level 3 B-BBEE contributor during the period under review.

In a further attempt to improve communication with stakeholders, the PPECB hosted its first stakeholder engagement event in 10 years and updated its official website, making it more informative and user-friendly. The update included newsletters and "Get in Touch" forms to enhance stakeholder engagement. Along with the website upgrade,

the improvement of the Intranet was also initiated and will be completed in the following fiscal year.

The PPECB continued with initiatives to strengthen its brand, both nationally and abroad. In an effort to create confidence in South African produce and awareness of the PPECB brand, the organisation attended 12 events, including the Fruit Logistica trade shows in Berlin and Hong Kong, and advertised and/or published 25 articles and adverts in international and local media.

The Perishable Products Export Control Bill that is under review progressed to the next stage and the first round of the public consultation process was completed. The next step will be in the form of road shows to seek further input, before it will be submitted to authorities for finalisation. This will all happen in the coming fiscal year.

As a national public entity, the PPECB is obliged to measure and report on the organisation's performance against predetermined objectives. I am pleased to report that the organisation managed to achieve an 83% performance rating for the year ended 31 March 2016. This can only be ascribed to the dedication and commitment of employees and the support of clients and stakeholders. In light of another successful year for the PPECB, I wish to thank our colleagues at the PPECB, the Department of Agriculture, Forestry and Fisheries (DAFF) and the PPECB Board for their support and guidance during the 2015/2016 financial year. We hope to exceed our stakeholder's expectations in years to come.

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