



CHAIRPERSON'S FOREWORD

I AM PLEASED TO PRESENT AND ENDORSE THE 2017/18 ANNUAL REPORT OF THE PERISHABLE PRODUCTS EXPORT CONTROL BOARD.

THE PERIOD UNDER REVIEW HAS SEEN UNPRECEDENTED AND PROLONGED VOLATILITY AND UNCERTAINTY, WHICH MADE OPERATING IN THE AGRICULTURAL SECTOR AND FRESH PRODUCE INDUSTRY SIGNIFICANTLY MORE CHALLENGING. ADDED TO THIS, THE ALREADY EXTENDED LOCAL DROUGHT CONDITIONS, WHICH HAVE NOT ABATED, FURTHER EXACERBATED THE NEGATIVE IMPACT ON PRODUCERS, THE AGRICULTURAL SECTOR AND FOOD SECURITY.

The world remains a hostile place with continued inward focus by global powers perpetuating the process of polarisation and self-interest. The world continues to be less of a global village, with the wellbeing of the planet and the global human race being relegated to political football.

The geopolitical issues between the United States (US) and Russia and the “trade wars” between the US and China are causing significant instability in global markets. This is further exacerbated by continued climate change and ongoing conflicts in certain regions, which perpetuate the migration of refugees seeking a better life in regions or countries that cannot accommodate them. This puts further pressure on already fragile geopolitical tensions. Despite this, the global economy is showing some green shoots for an economic recovery in 2018. The International Monetary Fund (IMF) is predicting that the global economy will continue its upward trend over the next few months. Advanced economies are expected to remain under pressure while emerging economies look much brighter with an anticipated growth rate in excess of 7%, with India and China leading this charge.

Growth forecasts for South Africa have been adjusted downwards by the IMF to below 1% for 2018 and 2019. Notwithstanding this bleak outlook, South Africa’s growth has recovered well since the recession, with much of our growth being driven by primary sectors such as agriculture and mining. This is a clear indication of the critical role agriculture can play to support government in achieving its national priorities of creating employment, promoting food security and enhancing economic growth. Recent, much-publicised corporate failures and state capture allegations have again put the focus firmly on good corporate governance and business ethics in South African corporates and State-Owned Enterprises (SOEs).

Cultivating a strong corporate culture of deliberate accountability and living our core values are critical in driving the PPECB’s long-term strategy. The PPECB therefore continues to focus on creating and maintaining a corporate culture that reinforces and rewards its core values. The Board, management and employees are committed to ethical leadership and are encouraged to act and conduct themselves with the highest ethical and moral standards by always doing the right things right, no matter what. All Board members are required to declare any conflicts of interest at every Board meeting as well as completing annual declarations of directorships and related party transactions. Similar requirements are in place for staff members of the PPECB.



Despite previously mentioned volatilities, the PPECB more than satisfactorily delivered on its core performance mandate. To this end, the employees of the PPECB need to be celebrated as they are often required to step in and do more with fewer resources. A case in point was when the PPECB was called upon to carry out orchard inspection services for citrus to the European Union (EU), which required additional time and resources from everyone in the organisation. Food safety issues have come under the spotlight with the recent outbreak of listeriosis in South Africa. This further underscores the important role that food safety regulators such as the PPECB play. Citrus Black Spot (CBS) and False Codling Moth (FCM) remain a challenge. Despite all the controls in place, a total number of 24 CBS interceptions were recorded for 2017/18 in the EU. A number of these interceptions happened towards the end of the citrus packing season when growers were under pressure to pack and export additional volumes not accurately predicted. This placed the PPECB under significant pressure and increased the risk of CBS interceptions. Existing controls are being reinforced to prevent a recurrence, but all stakeholders are required to join hands in the management and control of these pests.

I am gratified to report that the financial fortunes of the PPECB have been completely turned around from the severe losses the organisation suffered a few years ago and that we will end the

2017/18 financial year with a surplus, despite significantly reduced export volumes and drought conditions.

The PPECB will remain focused on delivering an efficient service to our customers and strengthening relationships with key stakeholders, both locally and abroad. The PPECB will also continue its process of consolidation and will focus on leveraging systems and technologies to enhance service delivery over the medium term. Given the difficult economic climate, the PPECB will continue to be prudent with the management and controlling of expenditure, without compromising service delivery.

The 2017/18 Annual Report of the PPECB details how we have delivered on our mandate and various strategic objectives. These deliverables are annually reviewed and written into the performance management agreements of the CEO, Executive Management and all staff at the PPECB, thereby ensuring that a performance management culture is inculcated into the values of the PPECB.

I wish to extend our thanks to the Honourable Minister Senzeni Zokwana, Portfolio Committee on Agriculture, Forestry and Fisheries, the team at DAFF, our staff and our clients for their continued support and assistance during the period under review. I am also thankful to the Board members whose guidance, wisdom and commitment has ensured responsibility by steering the PPECB and setting direction.

I am deeply privileged and honoured to serve at the helm of such a team, whose diversity provides the appropriate mix of knowledge, skills and experience to lead the PPECB. The collaboration and effectivity of the team was again evident at the August 2017 Board Strategic Session, which was held together with members of the Executive Committee. The purpose of this session was to set a strategy for transformation, which remains a strategic focus for the PPECB. Furthermore, I am satisfied that the Board has fulfilled its responsibilities in accordance with its Charter for the reporting period.

All that remains is for me to wish Chief Executive Officer Lucien Jansen, his Executive Team and staff a very successful 2018/19.

**ANGELO
PETERSEN**
CHAIRPERSON, THE PPECB