



Chief Executive Officer's Foreword



Herewith the PPECB's Annual Report for the period ending March 2019. This report focusses on the sustainability of the organisation and the PPECB's ability to navigate the challenges of the current export environment. It further provides an overview of the organisation's performance during the period under review.

Operating in a Changing Environment

The global perishable export market is ever-changing and becoming increasingly competitive, often due to factors beyond our control. The continuing trade war between the United States and China wreaked havoc insofar as South Africa's traditional export markets are concerned. Flooding of markets due to an excess of fruit resulted in reduced returns and fierce competition amongst Southern Hemisphere countries. Further to this, we've seen conventional fruit production methods and the export value chain being disrupted by technological advancements and innovations like block chain, artificial intelligence and machine learning. In an attempt to remain competitive, clients are continuously challenging the status quo in search of greater efficiencies and added value.

During the period under review, the PPECB has certainly seen an upswing in requests for relevant and reliable export information. Committed to supporting the export competitiveness of the South African perishable industry, this necessitated a review of the organisation's systems and processes. To this end, a process to replace the current Enterprise Resource Planning (ERP) system has been initiated. This much-needed upgrade is expected to enhance business intelligence reporting and improve the ease of doing business and engaging with the PPECB, among other things.

Responsible Corporate Citizenship

During the period under review, the PPECB further incorporated the principles of King IV throughout the organisation. An integrated reporting style has been adopted and the organisation's transformation strategy has been formally endorsed by the Board. In addition to this, the PPECB's corporate social investment portfolio has been expanded. Through partnerships, the PPECB has supported the establishment of vegetable gardens, donated funds to the less fortunate and participated in various charity events, directed at promoting food security and job creation within communities. The entity remains in a financially sound position and continues to conduct business ethically. The responsible disposal of waste and the continuous digitisation of processes to reduce the use of paper are some of the practices being implemented to limit the organisation's impact on the environment.

A future PPECB focus area will be to ensure that all tender bidders submit their environmental policies as well as measures implemented by the organisation regarding environmental sustainability.



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Stakeholder

Engagement

Client and stakeholder engagement are key priorities of the PPECB and various platforms and events are utilised to ensure engagement opportunities. In addition to our Annual Report launch and stakeholder event the PPECB participated in 15 industry events in the financial year, both locally and abroad. These events, together with the annual client roadshows and client meetings, have provided the foundation on which PPECB builds its client relationships.

Overview of

Business Activities

During 2018/19

During 2018/19, just over 2.9 million pallets of fruit were exported. Of this, 35% were exported to the EU with Asia taking 21% of South African fruit. The United Kingdom (UK) remains a major importer of South African produce, with 14% exported to this market. Notwithstanding an unfortunate ransomware attack during September 2018, the PPECB continued to make progress on its digital transformation journey with 63% of major products inspected on Project TITAN®. This is up from 43% in the previous year. In total, 83% of grapes and 62% of all citrus were inspected using TITAN®. It is expected that volumes inspected using TITAN® will

continue to grow over the short term, especially as the platform further integrates with related industry systems.

Effective and efficient service delivery remains one of the PPECB's top priorities. In its quest to continuously improve service delivery, the organisation measures customer satisfaction on an annual basis. I am pleased to report that the PPECB achieved a customer satisfaction rating of 82% during 2018/19. The organisation will continue to listen to customer needs and make further attempts to improve service delivery within the confines of its mandate.

The PPECB's transformation and development programme is progressing well, with a further 238 smallholder farmers trained on aspects of food safety, the responsible use of pesticides and GAP. The organisation's flagship internship programme, the AETP, managed to successfully train and graduate 39 students.

The organisation remains in a financially sound position and achieved an overall organisational performance rating of 72%. Organisational performance is based on Board-agreed targets, linked to the PPECB's strategic objectives.

In closing I wish to thank the PPECB Board, staff and stakeholders for their support and contributions during the year. I trust that you will enjoy reading this report.



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LUCIEN JANSEN

Chief Executive Officer