



agriculture,
forestry & fisheries

Department:
Agriculture, Forestry and Fisheries
REPUBLIC OF SOUTH AFRICA



2014

CODES OF BEST PRACTICE(COBP) FOR NATIONAL FRESH PRODUCE
MARKETS AS IT PERTAINS TO MARKET MANAGERS, MARKET AGENTS,
PRODUCERS , LABOR AND SERVICE PROVIDERS

MogalaM

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ACRONYMS

APAC:	Agricultural Produce Agent Council
CAPEX:	Capital Expenditure
DAFF:	Department of Agriculture Forestry and Fisheries
EHP:	Employee Health Program
GAP:	Good Agricultural Practice
IT:	Information Technology
ICT:	Information and Communication Technology
NFPMs :	National Fresh Produce Markets
OPEX:	Operational Expenditure
PPECB:	Perishable Products Export Control Board
SLA:	Service Level Agreement
SOP:	Standard Operating Procedures

NO.	INDICATORS	PURPOSE	EVIDENCE OF COMPLIANCE (Means of Verification)	ACTIVITIES	TIME FRAME	RESPONSIBILITY AND ACCOUNTABILITY
1	REGULATORY ENVIRONMENT	<u>Strategic Outcome 1: Provide an enabling environment at the National Fresh Produce Markets (NFPMs).</u>				
1.1	Agricultural Produce Agents Act 12 of 1992 amended by Agricultural Produce Agents Amendment Act, No. 47 of 2003.	Regulates the conduct of Market Agents.	Fidelity fund certificate. Compliance to rules and regulations.	Registration with APAC. Compliance to Act and its regulations. Review of the Act when necessary.	All times.	APAC. Market Agents. DAFF. Producers.
1.2	Updated market by-laws.	To ensure that by-laws, rules and regulations are reviewed and updated regularly and upheld by stakeholders.	Promulgated market by - laws in the government gazette by councils.	Regular review of Market By-Laws.	After every 5yrs.	Municipal Councils. Market Management. Market Agents. Organised Labour.
1.3	Occupational Health and Safety.	To ensure compliance to Act	Occupational Health and Safety Plan in the market.	Develop and implement an Occupational Health and Safety Plan.	2015	Market Agents. Market Management. Department of Health. Labour.
1.4	Agricultural Products Standard Act (Act 119 of 1990).	Provide regulations relating to grading, packaging and marketing of produce intended for sale in RSA.	Containers marked as follows: Product, Name of producer, Class of produce, Net mass of	Inspect compliance and Act. Generate reports and feedback to producers. Discard non-compliant	All times.	Producers. Market. Management. Quality control officers. DAFF

NO.	INDICATORS	PURPOSE	EVIDENCE OF COMPLIANCE (Means of Verification)	ACTIVITIES	TIME FRAME	RESPONSIBILITY AND ACCOUNTABILITY
			contents, Cultivar, Date code and Country of Origin.	products.		
1.5	PPECB Act.	Ensure compliance to export regulations in terms of the Act.	PPECB export certificate.	Inspection of produce for compliance.	All times.	PPECB Inspectors. Export Agents. Market Management. Market Agents. Producers.
2	COMMUNICATION/ STAKEHOLDER ENGAGEMENT	<u>Strategic Outcome 2: Proper communication among stakeholders in the NFPMs.</u>				
2.1	Communication/ Stakeholder engagements	To ensure regular communication among market management, producers, agents, council and organised labour in order to set attainable common goals and objectives.	Farmers visit reports. Minutes of Stakeholder engagement forum meetings.	Establishment of the market stakeholder engagement forum. Regular forum meetings and Feedback sessions.	Monthly	Market Management. Market Agents. Producers. Organised labour. Municipal Management.

NO.	INDICATORS	PURPOSE	EVIDENCE OF COMPLIANCE (Means of Verification)	ACTIVITIES	TIME FRAME	RESPONSIBILITY AND ACCOUNTABILITY
2.2	Service Level Agreements	To manage relationships between Markets, Market Agents, Producers, service providers and labour.	SLA between the following: <ul style="list-style-type: none"> • Municipality and Market Managers. • Producers and Market Agents. • Producers and Market Management . • Market Management and Agents. • Market Management and Service providers. • Market management and labour. • Lease agreement with tenants. 	SLA needs to be developed among the parties.	2014-2015	Market Management. Municipality. Market Agents. Labour. Service Providers. Tenants. Market staff.
2.3	Communicate the APA Act to producers, market	To create awareness and understanding of the application of the ACT	Records and minutes of awareness	Undertake awareness campaign on the	All times.	APAC. Producer bodies. Market agents.

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	agents and market managers.	and its regulations.	campaign.	Act.		Market Management.
2.4	Customer covenant by the market.	The value proposition offered by the markets and agents must be concretized to confirm their commitment to their principal clients, the producers and buyers.	Outlay of the value proposition of the respective market authorities. Published document by each market authority.	Development and adoption of the customer covenant.		Market Management. Market agents. Organised labour.
2.5	Producer and agent: during marketing and off-season					
2.5.1	A daily assessment of the "temperature" of the markets.	The producer must be informed of or understand the following: what is happening with prices, volumes, stock, Sales progress, Prices received, Plan of incoming loads for the issuing days, Quality and grading requirements.	Daily assessment reports.	Daily update to producers on market conditions.	All times.	Market agents. Producers.

NO.	INDICATORS	PURPOSE	EVIDENCE OF COMPLIANCE (Means of Verification)	ACTIVITIES	TIME FRAME	RESPONSIBILITY AND ACCOUNTABILITY
2.5.2	Daily producer sales report.	Inform producers daily on produce sold / stock levels.	Sales reports.	Development and transmission of daily sales reports.	All times.	Market agents. Producers.
2.5.3	Feedback from producers on sales report.	To allow a farmer to provide his/her view on sales report from the agent and reflect on past season.	Feedback report from farmer. A once off meeting with agents during off-season.	Develop and transmit feedback report to sales person.	All times.	Producers. Market agents.
2.5.4	Regular visits to market floors.	Benchmark own quality against other producers. Build relationships with buyers and agents. Increase understanding of the market.	Visits to market floor at least once a season. Comments of the producer in comment book.	Market visits.	At least once per season.	Producers. Market agents.
3	CONSIGNMENT CONTROL	Strategic Outcome 3: Efficient management of stock flows and standardization of quality in the markets.				
3.1	Consignment Control	To ensure correct stock management on the trading floors, establish transparency and undertake trend analysis.	Stock audit report.	Stock taking by Consignment Control Officers.	Daily	Market Management. Market Agents.

NO.	INDICATORS	PURPOSE	EVIDENCE OF COMPLIANCE (Means of Verification)	ACTIVITIES	TIME FRAME	RESPONSIBILITY AND ACCOUNTABILITY
3.2	Stock Consignment: Standard Operating Procedures (SOP).	To ensure that correct procedures are followed to deliver the right stock to the market agent from the moment the produce enters the market premises.	Delivery note at the entrance gate and gate number on stock.	Register all stock on the official system at the entrance gate. Implement the SOP on stock consignment.	Daily	Market Management. Market Agents.
3.3	Consignment Inspections.	Inspect fresh produce for quality standards.	Inspection Reports. Analytical results from Lab.	Conduct regular inspection on produce quality Collect samples for analysis.		Quality Control Inspectors. Market Agents. Market Managers. Producers. Food Control Laboratory.
3.4	Stock Audit Policy: SOP.	To ensure correct stock management on the trading floor.	Stock audit report.	Regular consignment audit.	Daily.	Market Management. Market Agents.
3.5	Late Sales Policy: SOP.	To ensure that correct procedures are followed with late sales.	Consignment control audit.	Regular consignment control and Financial audits.	Daily.	Market Management.
3.6	Condemned Stock: SOP.	To ensure that products unfit for sales and for human consumptions are removed correctly off the sales floors and trading system.	Condemned stock removal report.	Regular condemned product removal.	Daily.	Quality Control Inspectors. Market Management.

NO.	INDICATORS	PURPOSE	EVIDENCE OF COMPLIANCE (Means of Verification)	ACTIVITIES	TIME FRAME	RESPONSIBILITY AND ACCOUNTABILITY
3.7	Lost, Stolen and Shortage: SOP.	To ensure that stock shortages are correctly removed from the system.	Consignments financial audits and IT System reports.	Regular consignment audits.	Daily.	Market Management. Market Agents.
3.8	SOP: Removal of products purchased.	To ensure that the stock being removed from the trading floor is duly sold and booked out through the correct documentation and procedures.	IT System Consignment Control Policy.	Stock booked out through official IT System.	Daily.	Market Agents. Market Management.
3.9	Stock Consignment Policy.	<p>Ensuring that produce dispatched by producer is captured by agent as per consignment.</p> <p>Ensuring that produce consigned to specific agent is received by the relevant agent.</p> <p>Ensuring that produce delivered to markets is assigned to market agents and not to resident wholesalers on markets bypassing the market system.</p>	Approved stock consignment policy.	Implement the provision of the stock consignment policy.	2014 – 15 All times.	Market Management. Market Agents. APAC.

NO.	INDICATORS	PURPOSE	EVIDENCE OF COMPLIANCE (Means of Verification)	ACTIVITIES	TIME FRAME	RESPONSIBILITY AND ACCOUNTABILITY
3.9	Stock Audit Policy					
3.9.1	Regular stock audits.	Ensuring that stock appearing on Agent's stock sheets is indeed on the trading floors.	Stock audits reports.	Conducting regular stock reports in line with policy.		Market Management. Market Agents. APAC
3.9.2	Stock removal protocols.	Ensuring that produce removed from the trading floors has been captured through the official sales processing system.	Stock removal reports / receipts.	Implement the stock removal protocol.	All times.	Market Agents. Market Management. APAC.
3.10	Late Sales and credit policies					
3.10.1	Late Sales Policy.	To ensure that correct procedures are followed with late sales. To ensure late sales are not being misused for extended credit.	Formal system must be in place to verify and effect transactions. This should be reflected on producer's account sale.	Late sales should only be allowed after hours and with physical payment for the produce by the buyer at the time of removal.	All times.	Market Management. APAC. System Operators. Market Agents.
3.10.2	Proxy sales policy.	Managing the process where agents give credit on behalf of the producer	Formal system must be in place to verify and effect transactions. This should be	Ensure that the sales are captured through the official sales processing system and is	All times.	APAC. Market Management. System Operators. Market Agents.

NO.	INDICATORS	PURPOSE	EVIDENCE OF COMPLIANCE (Means of Verification)	ACTIVITIES	TIME FRAME	RESPONSIBILITY AND ACCOUNTABILITY
			reflected on producer's account sale.	open and transparent.		
3.10.3	Overdraft sale policy	Managing the process where the producer gives credit to the buyer facilitated by the agents. (Fidelity Fund)	Ensure that the sales are captured through the official sales processing system and is open and transparent. Ensure that producers are aware of the rules of these sales and permission is in place.	Formal system must be in place to verify and effect transactions. This should be reflected on producer's account sale.	2014 – 15 All times.	APAC. Market Management. System Operators. Market Agents.
3.10.4	Salvage sale policy	In some instances, produce that is being destroyed is paid out to producers by agents. Ensure effective system to minimise effect on market averages	Ensure that sales are captured through the official sales processing system, is open and transparent	Formal system must be in place to verify and effect transactions. This should be reflected on producer's account sale	2014 – 15 All times.	APAC. Market Management. System operators. Market Agents.

NO.	INDICATORS	PURPOSE	EVIDENCE OF COMPLIANCE (Means of Verification)	ACTIVITIES	TIME FRAME	RESPONSIBILITY AND ACCOUNTABILITY
			and reflected on producer's account sales			
3.11	Delivery notes ("Waybills").	A waybill serves as evidence that producers dispatched a consignment and that it arrived at the intended destination.	For each dispatch, a waybill should be generated for the following parties: (1) the producer, (2) the transport contractor, (3) the gate guard at the market and (4) the market agent.	Waybill generated.	All times.	Producers. Market Agents. Transporters. Market Management.
4	SAFETY AND SECURITY	Strategic Outcome 4: To guarantee safety and security to people, stock and money at the markets.				
4.1	% Reduction in major crime incidents.	Ensures that major crime is kept under control and reduced.	Records of crime incidences.	Strengthen security and safety measures at market.	As and when they happen.	Market Management. Service providers. Municipality.
4.2	% Reduction in minor crime incidents.	Ensures that minor crime is kept under control and reduced.	Records of crime incidences.	Strengthen security and safety measures	As and when they	Market Management. Service providers. Municipality.

NO.	INDICATORS	PURPOSE	EVIDENCE OF COMPLIANCE (Means of Verification)	ACTIVITIES	TIME FRAME	RESPONSIBILITY AND ACCOUNTABILITY
				at market.	happen.	
4.3	Stock consignment safety.	Ensure consigned produce are secure when being received.	Visible security.	Effective security on platforms and offloading areas	Daily.	Market Management.
4.4	Transporter safety.	Ensure safety of trucks and drivers delivering produce.	Visible security.	Safe parking areas and safe offloading areas	Daily.	Market Management.
4.5	Buyer safety.	Ensure safety of buyers handling cash on markets.	Visible security.	Sufficient security to safeguard buyers	Daily.	Market Management.
4.6	Safety and security protocol document / SLA.	Document capturing all aspects regarding safety and security on markets.	Safety and security protocol.	Compile and implement the protocol.	2014-15 All times.	Market Management. Market Agents.
4.7	Health and safety compliance.	Document capturing all aspects regarding health and safety on markets.	Health and safety policy.	Compile and implement the policy.	2014 – 15 All times.	Market Management. Buyers. Market Agents. Labour.
5	HYGIENE, CLEANLINESS AND FOOD SAFETY STANDARDS	<u>Strategic Outcome 5: Improved hygiene, traceability and food safety environment in the markets.</u>				
5.1	Hygiene, Cleanliness and Food Safety Standards.	To ensure that the facility is clean and complies with the Food safety legislation.	Cleaning programme and EHP report. Cleaning	Regular Cleaning of the facility.	Daily.	Market Management. Market Agents. Labour.

NO.	INDICATORS	PURPOSE	EVIDENCE OF COMPLIANCE (Means of Verification)	ACTIVITIES	TIME FRAME	RESPONSIBILITY AND ACCOUNTABILITY
			specifications.			
5.2	Improved Food Safety and Hygiene.	To ensure compliance to national food safety and hygiene laws.	Food safety & hygiene plan.	Develop, Implement and monitor food safety and hygiene plan.	Daily.	DAFF. Department of Health. Market Management. Market Agents. Labour.
5.3	Cleaning of trading floors, platforms and communal areas.	To ensure clean and healthy market premises	Cleaning Schedule.	Develop and Implement protocols on cleanliness on markets.	2014 – 15 All times.	DAFF. Department of Health. Market Management. Market Agents. Labour.
5.4	Cold and ripening room cleaning protocols.	To ensure clean and healthy market cold and ripening rooms.	Cleaning Schedule.	Develop Implement and protocols on cleanliness on markets.	2014 – 15 All times.	DAFF. Department of Health. Market Management. Market Agents. Labour.
5.5	GAP, Hygiene and food safety in the pack-house and on the farm.	To ensure that producers comply with food safety and hygiene regulations.	Certified pack-house and farm.	Implement a food safety and hygiene plan in pack-houses and GAP on farms.	2014 – 19 All times.	Producers / Producer Bodies. PPECB. DAFF.

NO.	INDICATORS	PURPOSE	EVIDENCE OF COMPLIANCE (Means of Verification)	ACTIVITIES	TIME FRAME	RESPONSIBILITY AND ACCOUNTABILITY
6	INFRASTRUCTURE: MAINTENANCE, CAPEX (Capital Expenditure) and OPEX (Operational Expenditure).	Strategic Outcome 6: World class market infrastructure.				
6.1	Address Infrastructure challenges.	To ensure that repairs are attended to timeously.	Maintenance Plan and Budget.	Infrastructure assessment and budgeting.	Monthly.	Market Management. Municipality. Market Agents. Labour.
6.2	Capital Expenditure ("CAPEX") Plan.	To ensure that expansion requirements are funded and met.	Capital projects plan and Budget.	Upgrading and expansion of market facilities.	As and when needed.	Market Management. Market Agents. Municipality. Labour.
7	INFORMATION MANAGEMENT	Strategic Outcome 7: Efficient and effective information, trading and business continuity management systems				
7.1	Information management.	To ensure that updated versions of efficient ICT system/software is used on markets.	Updated software / ICT system	Maintain efficient information management system.	All times.	Market Management. Market Agents. Service providers.

NO.	INDICATORS	PURPOSE	EVIDENCE OF COMPLIANCE (Means of Verification)	ACTIVITIES	TIME FRAME	RESPONSIBILITY AND ACCOUNTABILITY
7.2	Access and control of market information.	To provide proper access to market information.	A proper functioning marketing information system.	Maintain efficient information management system.	2014 – 15 All times.	Market Management. Market Agents. Service providers.
8	RISK AND FINANCIAL MANAGEMENT	Strategic Outcome 8: Mitigate risks and ensure efficient management of finance in Fresh Produce Markets (FPMs)				
8.1	Minimal Risks and Improved Financial Management.	Ensure that markets have their own accounts, separate from the municipality account.	Contract with commercial financial institution.	Conclude contract for financial services with bank of choice.	All times.	Market Management.
8.2	Ring fenced markets accounts, separate from council's general accounts.	To ring fence market funds away from council's accounts, to secure re-investment into market infrastructure.	Market accounts.	Market management to open market accounts along with municipalities.	2014 -15 All times.	Local Government / Municipality. Market Management.
8.3	Insurance on markets.	Markets should have insurance on produce assigned to their cold rooms and ripening facilities for which they earn income.	Insurance Policy.	Markets are to insure their facilities to minimize risk.	2015	Market Management. Local Government.

NO.	INDICATORS	PURPOSE	EVIDENCE OF COMPLIANCE (Means of Verification)	ACTIVITIES	TIME FRAME	RESPONSIBILITY AND ACCOUNTABILITY
9	TRANSFORMATION	Strategic Outcome 9: Advanced transformation in the Fresh Produce Markets.				
9.1	Equity Ownership	Measures the effective Ownership of Enterprises by Black People.	Share register /certificates.	Make ordinary shares available to Black Workers, Previously Disadvantaged Individuals and Majority black owned entities in the agricultural sector. Target is 25% + 1 of shares with voting rights and economic interest.	Annually.	Market Agents. Producers.
9.2	Management Control	Measures the effective control of Enterprises by Black People, i.e. black representation in the boards and executive levels.	Employment Equity Acts EEA2, Salaries, meetings resolutions and attendance registers.	Appoint black people to the Boards and Executive positions of the entities. Target is 50% of black people, which half is for	Annually	Market Management. Market Agents. Producers.

NO.	INDICATORS	PURPOSE	EVIDENCE OF COMPLIANCE (Means of Verification)	ACTIVITIES	TIME FRAME	RESPONSIBILITY AND ACCOUNTABILITY
				black women.		
9.3	Employment Equity	Measures the initiatives intended to achieve equity in the workplace.	Employment Equity Act's EEA2, Salaries, Job specifications.	Appoint black people across all functional and operational levels of an entity. Target 88% of black people.	Annually	Market Management. Market Agents. Producers.
9.4	Socio-Economic Development	Measures the extent to which enterprises carry out initiatives that contribute towards Sector-Economic Development or Sector-Specific initiatives that promote access to the economy for black people.	Letter of acknowledgement and Proof of initiative rendered.	Contribution benefiting black people in the communities. Initiative should benefit 75% of black people in the entity/community. Target 1% of Net Profit After Tax should be contributed to such initiatives.	Annually	Market Management. Market Agents. Producers.
9.5	Enterprise Development	Measures the extent to which enterprises carry out initiatives intended	Contracts, MoA etc	Invest in initiatives that seek to	Annually	Market Management. Market Agents. Producers.

NO.	INDICATORS	PURPOSE	EVIDENCE OF COMPLIANCE (Means of Verification)	ACTIVITIES	TIME FRAME	RESPONSIBILITY AND ACCOUNTABILITY
		to assist and accelerate the development and sustainability of other enterprises.		support/develop small black owned entities. Target 3% of Net Profit After Tax should be spend on Enterprise Development initiatives.		
9.6	Preferential Procurement	Measures the extent to which enterprises buy goods and services from BEE suppliers.	Procurement Spent.	Give preference to black owned entities when procuring goods and services. Target Procure: <ul style="list-style-type: none"> • 70% from entities with higher BEE Recognition Levels, • 15% from QSEs with higher BEE Recognition Levels, • 5% from EMEs with higher BEE Recognition Levels, • 12% from EMEs 	Annually	Market Management. Market Agents. Producers.

NO.	INDICATORS	PURPOSE	EVIDENCE OF COMPLIANCE (Means of Verification)	ACTIVITIES	TIME FRAME	RESPONSIBILITY AND ACCOUNTABILITY
				<p>that are 50% black owned with higher BEE Recognition Levels,</p> <ul style="list-style-type: none"> • 8% from black owned EMEs and • 30% EMEs that are black women owned entities with higher BEE Recognition Levels. 		
9.7	Skills Development	Measures the extent to which employers carry out initiatives designed to develop the competencies of black employees.	Formal Qualification accredited (SAQA, NQF and private accreditation bodies).	<p>Educate black people with core and critical skills relevant to the entity and industry.</p> <p>Target 85% of leviable amount /skills budget should be spent on black people.</p>	Annual	Market Management. Market Agents. Producers.

NO.	INDICATORS	PURPOSE	EVIDENCE OF COMPLIANCE (Means of Verification)	ACTIVITIES	TIME FRAME	RESPONSIBILITY AND ACCOUNTABILITY
10	HUMAN CAPITAL DEVELOPMENT	Strategic Outcome 10: Efficient business management practices on markets.				
	Human Capital Development	To improve the skills levels and competence of key stakeholders in the Fresh Produce Markets.	Continuous training and skills improvement for key personnel directly involved in sales, Food safety, Quality control, and consignment control and financial management.	Develop and implement skills plan for all key personnel.	Annually.	Market Management. Market Agents. APAC. Producers.