



**FRESH PRODUCE MARKETING  
CAPACITY BUILDING PROGRAM**  
GOVERNANCE: FRESH PRODUCE AGENTS AND PRINCIPALS

DEPARTMENT OF AGRICULTURE FORESTRY AND FISHERIES IN CONSULTATION  
WITH THE AGRICULTURAL PRODUCE AGENTS COUNCIL



**agriculture,  
forestry & fisheries**

Department:  
Agriculture, Forestry and Fisheries  
REPUBLIC OF SOUTH AFRICA



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## **PART A: INTRODUCTION INTO THE FRESH PRODUCE MARKETING SYSTEM**

The original reason for the establishment of the commission based sales system was the need for a market that aggregates produce from scattered rural origins in reply to the demand for those products. This was generally in a concentrated area like a city or town centre. Farmers, with little knowledge of the market dynamics of a city or town, were enabled by this system to have a professional person acting on their behalf to sell their produce. This system has evolved over decades to represent a mutualistic relationship between farmers, agents and the relevant authorities. These parties have created an environment where produce is traded according to laws, by-laws and rules. The law is promulgated by national government (Agricultural Produce Agents Act (Act. 12 of 1992) and regulates the commission agents' occupation and functions together with the rules laid down by Agricultural Produce Agents Council (APAC). By-laws are enacted by the municipalities and regulate the fresh produce markets within a municipal area. Agents and sales people have to register with APAC to be able to trade as commission agents regionally, nationally or internationally. Market agents also have to register on specific fresh produce markets to be able to operate as an agency.

To understand these mutualistic relationships clearly, it is important to understand the meaning of a fiduciary duty. A fiduciary duty is a crucial part of an agent's ethical relationship with one or more parties where care is taken of money or stock on behalf of those persons. In such a relationship the principal is in a position of vulnerability and therefor vests confidence, good faith, reliance and trust in the agent. The agent's duty is to build the utmost trust and loyalty towards the principal. This fiduciary duty is the highest standard of care in terms of equity or law. It is expected to be such that there must be no conflict of interest between the fiduciary duty of the agent and the principal and the agent must not profit from the principal. It has been said that agents must conduct themselves "at a higher level than that trodden by the crowd and that the overriding duty of the agent is the obligation of undivided loyalty."

The sales commission system functions on the basis of produce supplied on consignment to the agent and the agent's salesperson. The produce is then sold to the highest bidder and the agent and salesperson earn their income as an *ad valorem* commission. The remainder of the proceeds has to be paid over to the principal or principal. By agreement and in terms of the law, specified costs can be deducted from the proceeds. The stock on hand or proceeds of stock sold is part of the trust account of the principal, which should always be balanced and accounted for.

The Agricultural Produce Agents Act, which was enacted by Parliament through Act No. 12 of 1992 (the Act), created the Agricultural Produce Agents Council (APAC) as a regulatory body for agents in South Africa. The objective of Council is to regulate the occupations of fresh produce, export and livestock agents and to maintain their status and dignity. The fresh produce agents have an established Fidelity Fund to reimburse principals for direct losses suffered by them as a result of theft committed by a fresh produce agent of any money or agricultural produce entrusted by the principal to the agent.

## **PART B: UNDERSTANDING THE ROLE OF APAC**

### **1. Background to the Agricultural Produce Agents Council**

The Agricultural Produce Agents Council (APAC) is a statutory body established in terms of Act 12 of 1992 (hereafter referred to as the Act) to:

- Administer the Act on behalf of the Minister of Agriculture, Forestry & Fisheries and
- In so doing to maintain and enhance the status and dignity of the persons practicing the occupations as agents, namely, fresh produce agents, fresh produce export agents and livestock agents.

The Act was proclaimed on 04 January 1993, where both the Act and Council have the sole purpose of ensuring that the principal's financial interests are protected. The term principal is further explained and explored in a later section of this document.

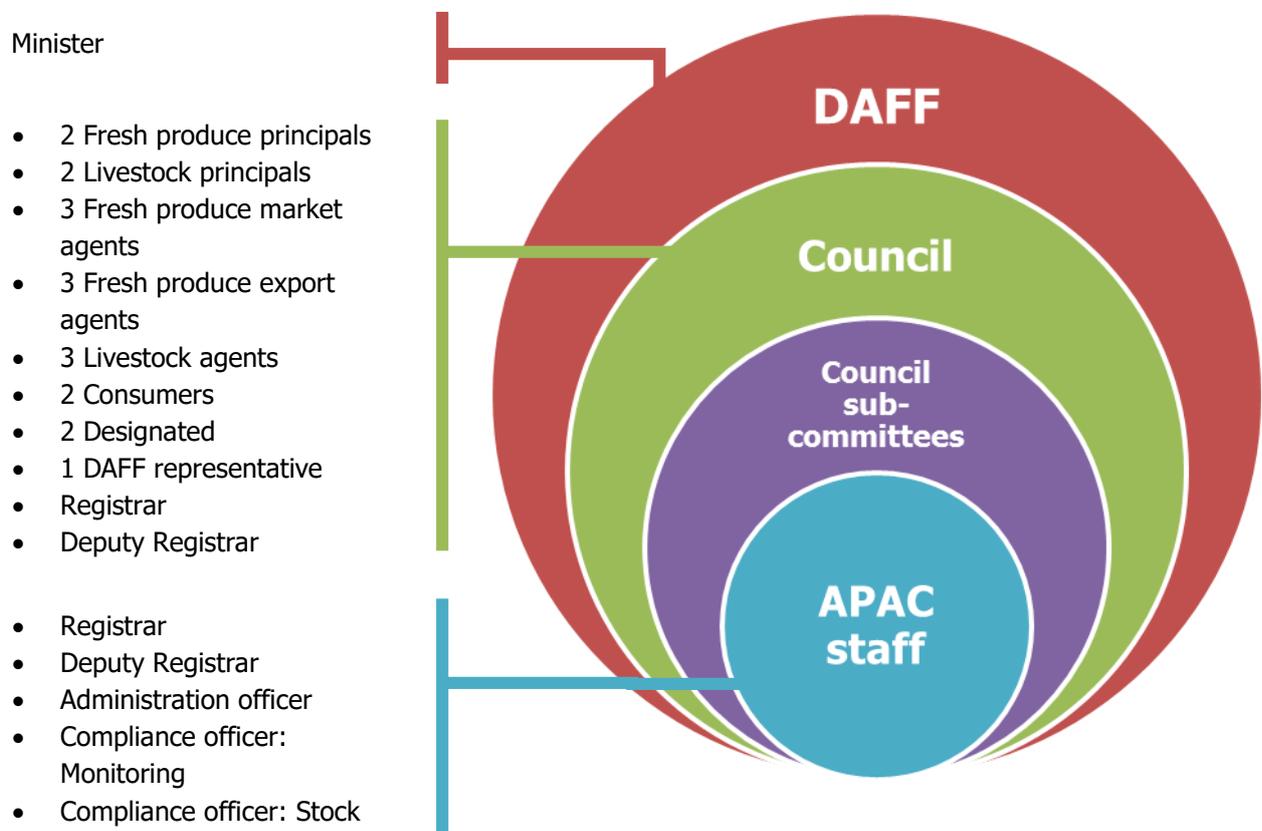
The functions of the Council includes, formulating policy, establishing rules and codes of conduct as well as generally take steps it deems necessary to achieve its objectives on both a strategic and operational level.

To reiterate the importance of APAC's objective its sole purpose is to fulfil their duties under the Act, protect against dishonest practices, uphold their responsibility to maintain and enhance the occupation of agents and position the Council effectively to contribute in the development and transformation of the agricultural sector on various levels.

The figure illustrates, the four core values to which APAC strive. As a regulatory body APAC acts with objectivity, empathy, integrity, prudence and transparency to ensure that fairness is achieved in all aspects of their work. Having the right attitude where both the Council and staff complement are ambitious, professional, passionate, supportive, reliable and dedicated. As a Council they are driven to delivery on their objectives and remain open to change and innovation.

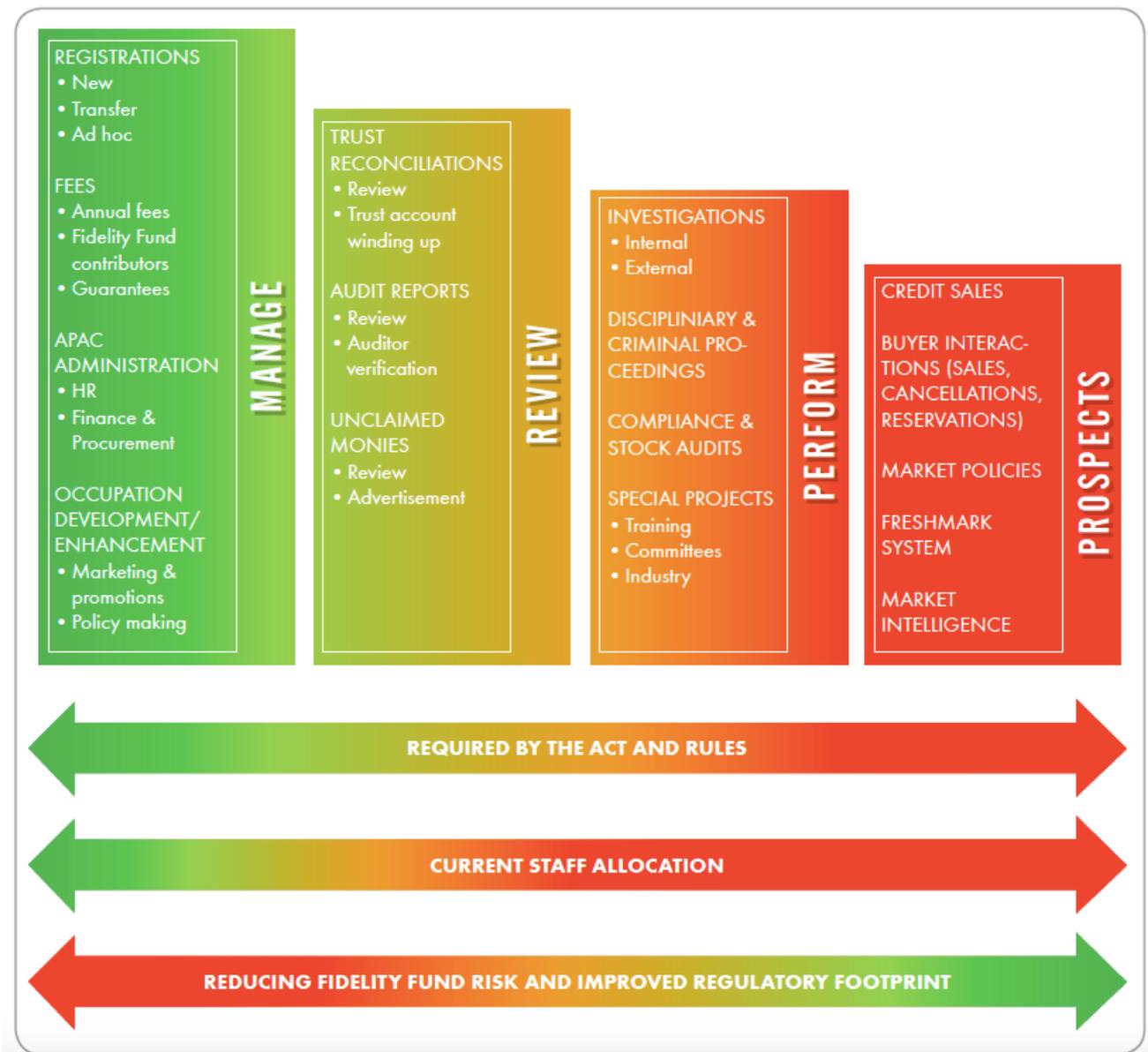
## 2. APAC's organisational structure

Understanding the structure provides you with better insight into their strategic and operational activities. The structure of APAC is fairly simple in that the Council consisting of the Registrar and Deputy Registrar together with 18 other stakeholders as depicted in the figure below, report to the Minister of the Department of Agriculture, Forestry and Fisheries. Below the Registrar is a dedicated permanent staff complement, responsible for the operational activities of APAC.



### 3. Operational activities of the Council

Section 10 of the Agricultural Produce Agents Act sets out certain regulatory activities that APAC must perform. They also undertake certain additional activities to proactively monitor and mitigate farmers' risks. The diagram below depicts the functions required by the Act in green and yellow. The red section shows their additional activities as well as their prospective ones.



The specific areas listed above that are currently regulated and actively explored pertaining to an agency and its agents, which are discussed later in this document, are registrations, fees, trust reconciliations, audit reports and

unclaimed monies. The aforementioned tasks are all requirements that must be fulfilled as part of the operational activities of an agency.

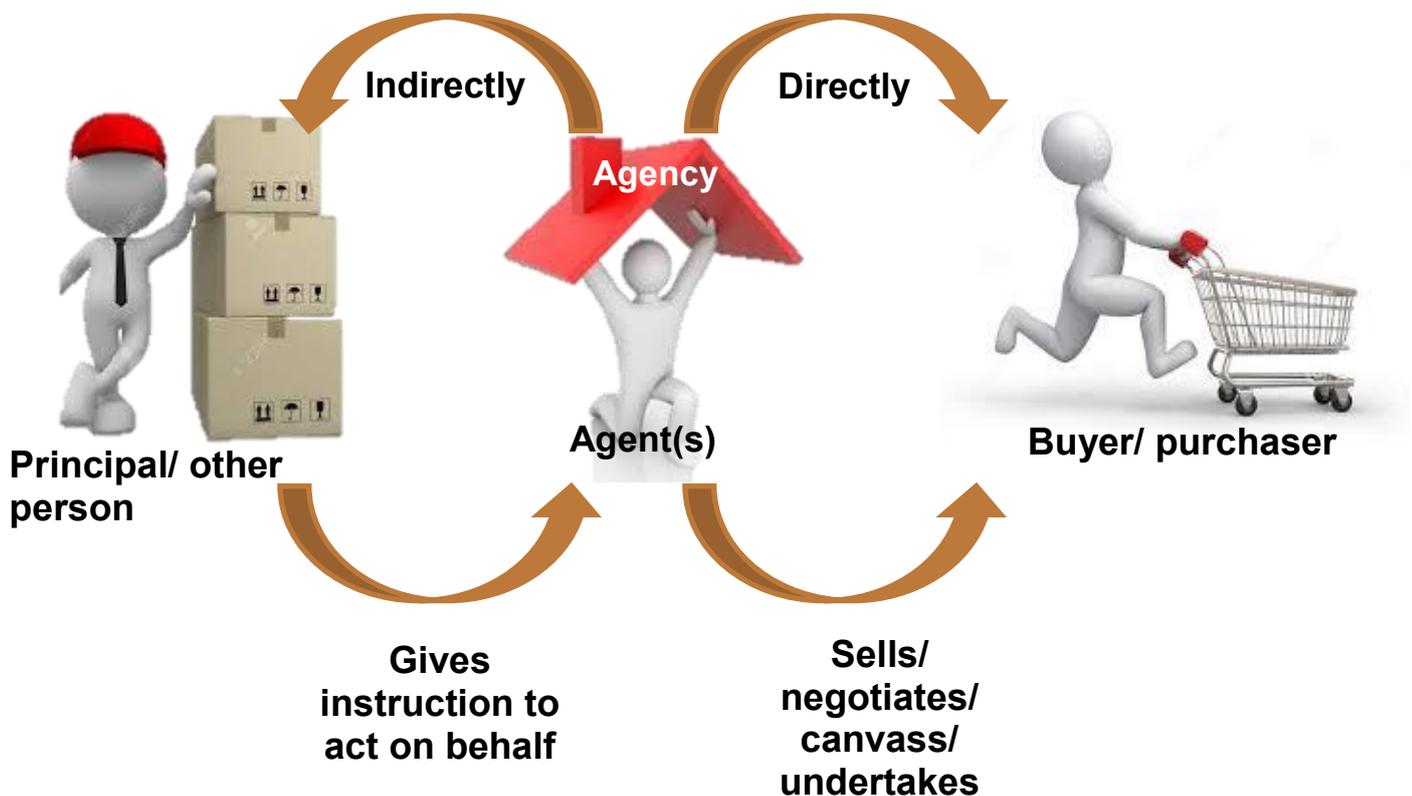
All aspects listed under the category header, perform and prospects as well as occupation development or enhancement under the management category are activities that APAC as a regulatory body perform in ensuring that the industry is held to high professional standards and that there is compliance towards the Act and Rules.

## PART C: UNDERSTANDING THE ROLE OF AN AGENT

### 4. Definition of an agent

The APAC Act defines an agent as the following: *"agent means a person who, for acquisition of gain on his or her own account or in a partnership, in any manner holds himself out as a person who, either directly or indirectly advertises that he or she, on the instructions of or on behalf of any other person, purchases or sells agricultural produce or negotiated in connection therewith or canvasses or undertakes or offers to canvas a purchaser or seller..."*

The figure below summarises the agent definition.



The definition of an agent is vitally important as it is the very core of everything about being a market agent. When one person represents another it changes everything. This includes (but are not limited to):

- Complying with the requirements of Act and Rules;
- Taking on the responsibility of selling the principal's produce;

- Negotiating a price with the buyer in consultation with the principal. This important action of price discovery is the cornerstone of the agent model;
- The agent also has to make other decisions which directly affect the principal, such as condemning produce;
- Requiring complete integrity and transparency from the agent;
- Giving the principal sound advice regarding the selling, storage and handling of his produce;
- Ensuring the principal receives regular, accurate and timely reports about his consignment(s);
- Ensuring that the principal is paid within 5 working days and that the information on the Account Sale is correct.
- Building a trust relationship with the principal and the relevant market authority.

## **5. Acting as an Agent within an Agency**

Before further exploring the responsibilities of an agency or agent as per the Act and Rules, it is important to understand how the model is structured. The accounting of actions of all the agents are done under the umbrella of the Agency registered with APAC. An agency can take on various forms including sole proprietors, close corporations, private companies, trusts and partnerships.

Therefore, an agency consists of directors (who are all registered agents), registered agents (who must be employees of an agency, responsible for procuring principals and selling produce) and support staff (which can include accountants, forklift drivers, booking clerks, etc.)

A person is classified as an agent (fresh produce agent) when one or more of the conditions below have been met (note that this serves as a guideline and are not in any means placing a limitation on the definition of an agent per the Act):

- Has registered with APAC and carries a valid Fidelity Fund Certificate; and/  
or
- Interacts with principals and/ or buyers; and/ or

- Represents the principal on the market floor; and/ or
- Negotiates prices and sales on behalf of a principal; and/ or
- Advises the principal on all matters relating to his produce on the market.

Support staff may not at any point fulfil the duties of an agent for example negotiating price with a buyer or procure a principle.

The holder of a fidelity fund certificate, not only has a code of conduct that must be adhered to, but may not be or have been:

- Dismissed from a position of trust;
- Convicted of an offence involving dishonesty;
- Be unsound mind;
- Guilty of improper conduct (in terms of an APAC investigation);
- Unrehabilitated insolvent;
- Failed to declare all liabilities to APAC; or
- Failed to comply to a lawful requirement of APAC.

In the case of an agency, all the above listed requirements are applicable, but with the addition of not be or in the process of being:

- Wound up (provisionally or otherwise) or deregistered and
- Failed to open a trust account.

Acting as an agent under the umbrella of an agency or as an agency, without being registered is a criminal offence. Any person who makes himself or herself guilty of this offence, can be prosecuted under the Act and Rules.

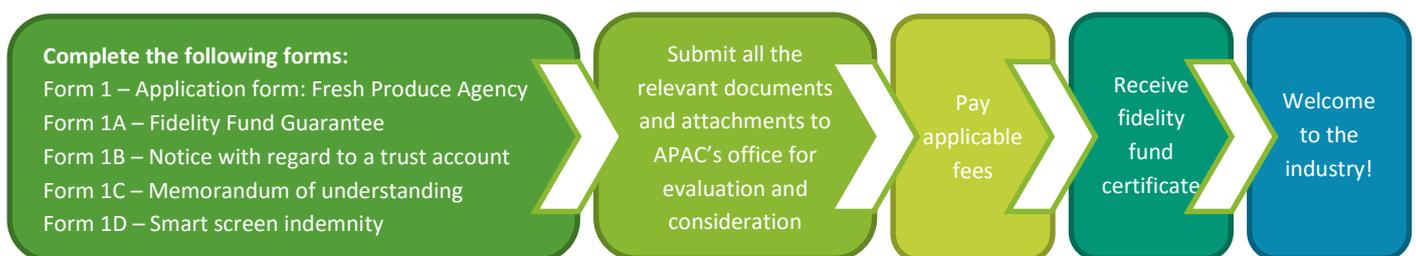
The same applies when a fidelity fund certificate of an agent has lapsed, no participation (directly or indirectly) may take place in the management of any business that is carried out.

## 6. Registering as an agency and agent

When an individual or entity wishes to register as an agent or agency respectively, there are various forms that first need to be completed and fees to be paid before a fidelity fund certificate is issued. In conjunction with the application filed with APAC, the necessary process must also be followed at the fresh produce market where the agent or agency wishes to operate as there is a collaborative effort between the fresh produce market and APAC in registering agencies and agents.

### Registering an agency:

Any type of entity can register whether it is a sole proprietor, partnership, close corporation, private company or trust.



Irrespective of the type of legal entity, all the owners/ directors/ shareholders/ members/ trustees, together with the agency will receive a fidelity fund certificate.

If one looks at the natural persons being registered, these individuals must all attend the APAC endorsed Online Learning courses, which cover topics of being an agent, marketing and legislation. The applicants should also have completed a 6-month mentorship under an already registered agent in the industry and have paid the necessary fees i.e. Vetting and Crediting fee.

Each owner/ director/ shareholder/ member or trustee, must in addition to the application form, complete a memorandum of understanding on the Act and Rules ensuring that they have the appropriate knowledge of the Act and Rules. A vetting and credit search is performed on all applicants to ensure that conflict of interest is mitigated and controlled as far as possible.

When a legal entity is applying, only one trust account may be opened and the agency must also have a business account, to ensure that both trust and business transactions and activities are kept separate. A bank guarantee in the name of APAC must also be provided, at the time of this publication it was set at R 50 000. Apart from these requirements a maintenance certificate-issuing fee must be paid.

APAC must be contacted immediately if there are any changes to the agency in order to assess the necessary steps the agency needs to take to ensure that the change is within the scope of the Act and Rules.

Various changes can occur, such as where a change in the trust account of an agency takes place, the account must be wound up and a last trust reconciliation and audit report must be submitted within 1 month of the account being closed. Any other miscellaneous changes including changes to general contact information of the agency and agents, auditors, accountants, etc. must be transmitted to APAC on an official letter head of the agency.

**Registering an agent (an individual/ natural person other than an owner/ director/ shareholder/ member or trustee):**

In the case of individuals who wish to register as fresh produce agents, or if they are registered, but wish to transfer to another agency, the procedures are as follows:



Each individual that wishes to register must complete the necessary application forms. The memorandum of understanding and the vetting and crediting, with these individuals have the same purpose as it has with owners/ directors/

shareholders/ members or trustees. The Online Learning and mentorship programme is also applicable here.

APAC should be informed immediately if an agent wishes to transfer and the transfer application forms should be completed so that a new fidelity fund certificate can be issued for the specific person under the umbrella of the new agency.

Where an agent wishes to deregister, APAC should be informed in writing, immediately by the Agency. The letter must contain the reasons why the individual wishes to deregister and must be accompanied by the individual's termination letter as well as the original certificate that was issued.

The figure below is a sample of a fidelity fund certificate that is issued to either an agency or agent.

## PART D: CONDUCTING BUSINESS AS AN AGENCY

### 7. Basic flow of transaction

It is imperative that we understand the basic flow of transactions which gives rise to the trust account that needs to be appropriately operated. Areas that are taken into consideration include: what the important documents are that should accompany each part of the cycle, what the minimum required details are that needs to be recorded, how it affects the trust account, what other important

**SERTIFIKAAT**

RAAD VIR LANDBOUPRODUKTE-AGENTE  
AGRICULTURAL PRODUCE AGENTS COUNCIL

VARSPRODUKTE-AGENTE GETRUSTE FIDELITEITSFONDS  
FRESH PRODUCE AGENTS FIDELITY FUND

SERTIFIKAATNOMMER  
CERTIFICATE NUMBER

UITGEREIK INGEVOLGE ARTIKEL 15(1)(B) VAN DIE  
WYSIGINGSWET OP LANDBOUPRODUKTE-AGENTE 2003  
(WET 47 VAN 2003)

ISSUED IN TERMS OF SECTION 15(1)(B) OF THE  
AGRICULTURAL PRODUCE AGENTS AMENDMENT ACT 2003  
(ACT NO. 47 OF 2003)

AAN  
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AGENT  
AGENT

REGISTRATEUR:  
VIR EN NAMENS  
DIE RAAD VIR LANDBOUPRODUKTE-AGENTE

REGISTRAR:  
FOR AND ON BEHALF OF  
THE AGRICULTURAL PRODUCEAGENTS COUNCIL

requirements needs to be taken into consideration and what the importance of all the actions and documents are.

The figure below shows a high level flow of a transaction within the sales and principal payments cycle.



#### **A. Receiving**

#### **A. Receiving**

Once produce is procured from the principal and delivered to the market, it must be recorded onto the relevant market system.



#### **Important documents that are required when receiving produce:**

- Principal delivery note.
- Agency delivery note/ goods received note (where applicable).
- Market delivery note/ goods received note (this document confirms that the produce has been recorded onto the market system).



#### **Minimum particulars to record when receiving produce:**

- Date on which the consignment was received.
- Name and address of the principal.
- Delivery note number.
- Kind, class or grade of the produce.
- Quantity received.



### **How does this affect the trust account?**

- Produce forms part of the trust account.
- Third party costs payable (see payments in C below).
- Agent cold storage charges deductible (see payments in C below).
- Agent floor storage charges deductible (see payments in C below).



### **Why is it important to keep these documents, perform these actions and record these details?**

- It confirms that the agency accepted all the goods sent to them by the principal (when the delivery note is signed by the agent) and that the quality and quantity is in order;
- It confirms that the agency has taken responsibility for the produce (and that it forms part of the agency's trust account);
- It serves as an audit trail against what is recorded onto the market system; and
- It allows for the agency to recover certain costs e.g. transport, storage, etc. from the proceeds of sales.

#### **B. Sales:**

As soon as the produce delivered, has been taken into stock by the agency, it can be sold. The selling of produce can take on one of two forms, cash or credit. In the event of a cash sale, a buyer will present the agent with its buyer's card, where after if there are sufficient funds available, the transaction will be validated and the produce can be removed. In the event of credit sales one first needs to establish the type of credit sale, agent's credits sale (proxy sales) or principals credit sales (overdraft sales). Irrespective of the type of sale taking place the following must be considered:



### **Important documents that are required when selling produce:**

- Removal note.
- Principals credit sales:
  - Principal/ Agent agreement

- Agent/ Buyer agreement
- Agents credit sales: Agent/ Buyer agreement



### **Minimum particulars to record when selling produce:**

- Docket number.
- Consignment number.
- Sales date.
- Principals name.
- Kind, class or grade of the produce.
- Quantity sold.
- Name of market.



### **How does this affect the trust account?**

- Proceeds of sales are deposited into the trust account.



### **Important requirements of the Act and Rules:**

- The sale must be recorded immediately after the sales transaction took place but before the produce leaves the market floor irrespective of the type of sale.
- The type of sales must be recorded on the appropriate sales screen so that the transaction will reflect correctly on the account sales (paid and unpaid principal/ agent credit sales) that is sent to the principal.



### **Why is it important to keep these documents, perform these actions and record these details?**

- Produce may be stolen from the premises;
- The incorrect produce may be removed by the buyer;
- Produce may not be removed at all;

- Fictitious sales could occur or the incorrect buyer invoiced;
- Buyer may never be invoiced for produce removed; and

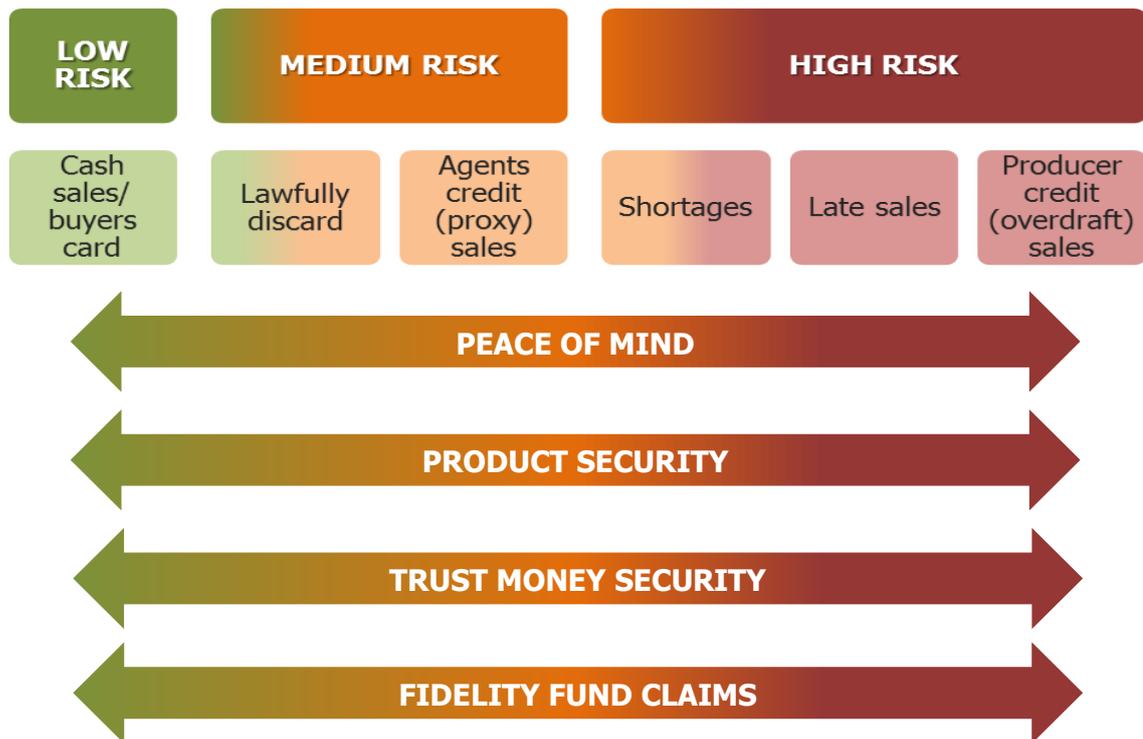
Now that the requirements of a sales transaction, irrespective of the type thereof have been investigated, the different types of sales can be explored.

The APAC Credit Sales Policy was established to ensure that full transparency is kept throughout a transaction and to provide a governance structure that serves as a good practice guideline. The Credit Sales Policy should be read together with the Act and Rules as well as the relevant Market Bylaws.

The National Credit Act, Act 12 of 2005 is also applicable to giving credit and should be considered at all times.

A sales transaction can be classified as either a cash sale, producer's credit sale, agent's credit sale or late sale. Irrespective of the type of sales transaction that takes place, accounting to and payment towards the principal/ producer must still take place within 5 business days from the date the produce was sold.

The figure below categorises the various types of sales into three risk categories, high, medium and low. The three categories relate to the how well the fiduciary relationship between principal and agent is managed. Thus a high risk transaction will result in a more strenuous relationship between the principal and agent as for example with a late sale, the risk is there that the money for produce that has left the floor may not realise due to the buyer defaulting on the payment for the produce. In such instances the agent and agency is placed under additional pressure to perform in such a manner so that these outstanding monies can be recovered.



### **Agent Credit (Proxy) Sales:**

Agent credit sales transactions are defined as cash transactions where the agent provides credit to the buyer to procure fresh produce.

The buyer and agent must also have an agreement in place, which must be kept for a period of three years. The agreement must specify the following (but are not limited as the APAC Credit Sales Policy additional requirements:

- The buyers credit limit;
- The terms of repayment, important the period given may not exceed the 5 day limit for payment;
- The buyer must be in possession of a valid buyer's card.

General provisions for agents' credit sales are as follows (but are not limited as the APAC Credit Sales Policy additional requirements:

- Sales must be captured on the agent's credit sales screen;
- The account sales must reflect the transaction as an agent's credit sale.

An agency must be careful when giving credit to buyers that a conflict of interests does not arise. If a buyer is allowed to run up a large amount of credit this places

the agency under extra pressure and the need to recoup that debt. This could lead to a conflict of interests because the agency might take steps to recover the money at the expense of their other clients.

Market agencies are not in the business of granting credit and are not registered credit providers. They should therefore, not make themselves guilty of becoming a credit provider.

**Principal Credit (Overdraft sale):**

Principal credit sales transactions are defined as transactions where the fresh produce agent may only sell the producer's fresh produce on credit if written consent was obtained from the producer and with reference to specific buyers before the sales transaction takes place. The payment of such transactions will still be effected within five working days from the sales date.

A fresh produce agent may not sell fresh produce on credit unless the following requirements have been met:

- Have prior written approval from the producer;
- The approval must be for each credit buyer separately – the producer cannot submit a blank approval;
- The document must show the full identity of the buyer, ID number, physical address and the amount of credit to be given – credit limit;
- The period of credit given may not exceed the 5 day limit for payment.
- In the event of a claim by the producer for non-payment by the buyer this cannot be lodged against the Fidelity Fund.
- There must also be an agreement between the agent and the buyer.

Now that producers consent is in place, the buyer and agent must also have an agreement in place. The agreement must specify the following (but are not limited as the APAC Credit Sales Policy additional requirements):

- The buyers credit limit;

- The terms of repayment, important the period given may not exceed the 5 day limit for payment.
- The buyer must be in possession of a valid buyer's card.

General provisions for producer's credit sales are as follows (but are not limited as the APAC Credit Sales Policy additional requirements:

- Sales must be captured on the producer credit sales screen
- The account sales must reflect both paid and unpaid producers credit sales.

### **Late Sales:**

Strictly speaking Late Sales should not be allowed on a market as majority of the market system opens after the daily run has taken place. One of the reasons why markets trade between set times is to create demand by concentrating buyers and sellers under one roof. Late Sales can 'water down' the effect of supply and demand, which is so crucial on a market floor. Another reason is to give the Market Authority the opportunity to balance the sales every day.

At no point may a late sale be used as a buffer for credit sales. However, buyers sometimes find they need extra stock urgently after they've been to the market so they put pressure on the salesperson to help them. This has led to markets accepting late sales in the interests of customer service.

When a late sales transaction is used, the following must be adhered to for each and every transaction:

- Must be recorded on the Freshmark System like any other;
- It must appear on the sales reports of the following day;
- It cannot be a cash sale because these close at the end of sales each day.
- Late sales present a financial risk to the market agency if the buyer does not pay.
- Payment to the producer must be within the stipulated 5 days from the sales date.

Even though a shortage in produce or the discarding thereof does not generally fall within the scope of a sales transaction it is dealt with under this heading as the recording of such transactions will fall into this part of the process flow or cycle.

**Stock shortages:**

A shortage in stock balances can occur for many reasons, however despite what the reason for the shortage is that occurred, an agent must remember that these shortages occurred in a fiduciary capacity and therefore is not as simple as writing these balances off.

When such a shortage occurs, the agent responsible must ensure that :

- All stock shortages are booked on the shortage sales functionality.
- A market inspector must approve the shortage sales.
- Account sales must indicate shortage sales.

**Discards:**

All discards must be lawfully destroyed by either the Health Inspector or Market Representative (based on the criteria set out by the Market Bylaws). In the unfortunate event where produce has been discarded the account sales must reflect all discards.

It is imperative that no discards may be booked as an ordinary sales or credit sales transaction or at a lower price.

**c. Payments:**

Payments from the trust account can made by either Electronic Funds Transfer or Cheque.



### **Important documents that are required when paying principals:**

- Producer's delivery note.
- Account sales.
- Documentary proof of any amounts that are claimed as part of agent deductions.
- Documentary proof of agent's commission, which was agreed on.
- Documentary proof of the producer's bank details.



### **Minimum particulars to record when paying principals:**

- Account sale number.
- Name of agency and agent responsible.
- Name and address of the principal.
- Date the consignment was received.
- Producer delivery note number.
- For the relevant sales dates:
  - The kind, grade or class
  - The quantity sold
  - Sales price
  - Gross sales amount realized
- The amount and nature of each deduction.
- The amount of commission claimed and
- Details of produce withdrawn from sale.



### **How does this affect the trust account?**

- Allows for principal payments to be made and
- Allows for agents commission and other deductions to be withdrawn.



### **Important requirements of the Act and Rules:**

When a fresh produce agency is recovering any amount other than commission (e.g. advances paid to producer, transport, re-packaging, etc.):

- The agreement between the agency and principal must be in writing;
- The payment to the third party is made from the agency's business account; and
- The amount paid to the third party from the business account is recovered as part of the commission withdrawal from the trust account. The recovery amount must be specified under the applicable code/ section on the market system.
- The deduction **must** be reflected on the account sales.



### **Why is it important to keep these documents, perform these actions and record these details?**

Preventing:

- Incorrect amounts being recorded;
- Fictitious deductions being recorded against a creditor;
- Incorrect payments being made;
- Fictitious payments being processed;
- Fraudulent cheques being processed;
- Duplicate deductions or payments; and
- Incorrect or fraudulent bank accounts being used.

## **8. Periodic requirements**

Based on the figure demonstrated below, some crucial periodic requirements are necessary to ensure that the trust relationship between an agent and the principal is not only maintained but also strengthened.

**Daily requirements:**

All produce received, must be recorded not later than the business day following the day of receipt. All produce presented for sale must contain the name and address of the principal/ producer on the container.

The details that must be recorded as well as the accompanying documents as well as how this transaction will affect the trust account was dealt with under the heading basic flow of transaction, Receiving and Sales.

What can further be emphasised is that directly after each sales transaction and before the produce is removed from the agencies custody, a sales note as per the figure on the right must be issued to the purchaser.

```

    <<MARKET NAME >>

    ** REMOVAL NOTE **
    *COPY*COPY*COPY*COPY*COPY*COPY*COPY*COPY*
    08:26 20 Jan 2015 - Tuesday

    DOCKET NO : B5A20CK5107
    REC NO    : 4271225
    CASHIER   : CR
    CONS NO   : 35624005
    BUYER     : 42739

    << BUYERS NAME >>

    PRODUCER : 011894
    << PRODUCER NAME >>

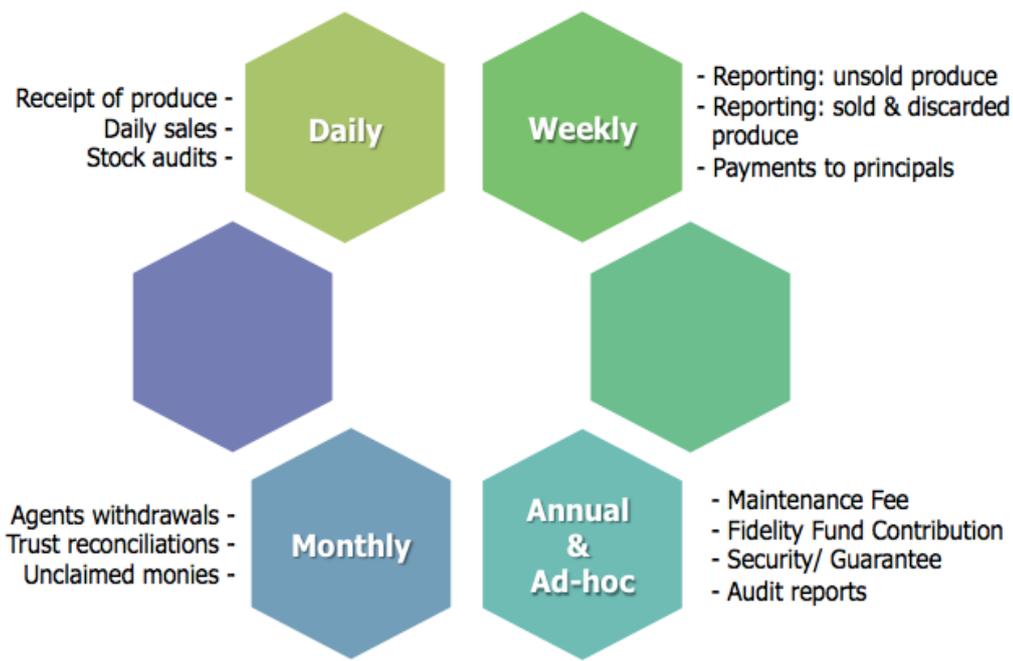
    PRODUCT  : LONS
             : LEMON

    COMMODITY : LONS 2S 7 BF 90
    MASS/CNT  : 7 90

    QTY      : *140* ONE FOUR ZERO

    PRICE    : R 20.00
    VAT      : R 0.00
    VALUE    : R 2800.00

    *** << AGENCY NAME >> ***
    * << AGENT NAME >> *
  
```



The figure below indicates a sample stock sheet, reflecting the minimum information that is required by the Act and Rules:

The third item listed in the figure above under daily office requirements is stock audits, which go hand in hand with stock control. This is one of the most important responsibilities of a market agent because he is acting on behalf of somebody else and took responsibility for the stock when he signed the Delivery Note.

This means that good floor management and control are two essential requirements of a market agent.

Important factors for proper stock control:

- When the agent (or designated employee) receives a load and signs for it, the agency immediately assumes responsibility for that load and it becomes part of the trust account;
- Any shortages on arrival must be recorded on the Delivery Note and the principal must be informed immediately;
- All the details of the consignment are entered on to a Goods Received Note (on the market provided system);
- The agent must take stock as follows:
  - Each consignment is counted individually per producer, no bulk counting;
  - The stock count should only start after all stock reservations, unpaid sales, etc. have been cancelled;

CONSIGNMENT STOCK TAKE Version 2.9											
AGENT	<< AGENCY NAME >>										
SALESMAN	6605	<< AGENT NAME >>									
PRODUCER	GRN NO	COMMODITY	DATE REC	QTY REC	QTY SOLD	D/R	COLD STORE	QTY SORT	IN-TNS	RES	FLR
NAICKER S	7871212	CABB,PTB002,*0*,12,*	23/02/15	20	13	0	0	0	0		7
ALCARI 524 CC	7873540	CABR,PTB003,*0*,10,*	24/02/15	7	1	0	0	0	0		6
KALFIELAND CC	7863602	CAUL,BA120,*0*,*,*	18/02/15	43	29	0	0	0	0		14

- When he gets to the floor early in the morning – check new stock and old stock, at the end of sales each day as long as there is stock on hand and if time permits during sales then it is good to take stock again.
- Inform the relevant Market Authority immediately of any shortages and capture it on the shortage sales screen.
- Investigate all shortages and surpluses to determine the actual reason for the discrepancy.

IMPORTANT: It is vital for every market agency to make sure that the people checking loads at the section gates are properly trained and motivated.

**Weekly requirements:**

- Reporting on unsold produce:  
The Rules requires an agent to communicate with his producer within 3 days if a consignment is not fully sold from the day of delivery. This must continue on a weekly basis until the consignment is fully sold or the produce has been disposed of.

In the event of a quality problem on receipt of a consignment the salesperson must:

- Communicate with the producer right away;
- Take a photo(s) and send them to the producer;
- Compile a written report detailing the problem and what action was taken in consultation with the producer. Together with the report all photos and communication should be filed.

When produce is disposed of, the Act clearly requires that is done in a lawful manner, by either a health inspector or relevant market authority (where the health inspector is unavailable). Important to note is that the specific market bylaws may prescribe what is deemed to be “lawfully destroy”.

- Reporting on sold or disposed produce:

In modern day, reporting and communicating to a producer has become an easy task to fulfil and can sometimes take place more often than what is legally required by the Act and Rules.

Various mediums exist to communicate, which includes cellular telephone, fax, email, etc. However, strict guidelines exist as to when and what should be communicated at minimum. The Rules determine that an agent must within 5 business days of selling or disposing of produce, communicate the following for each consignment:

- A serial number;
- Name of the fresh produce agent;
- Name and address of the principal/ producer;
- Date of receipt of the consignment;
- Delivery note number;
- The kind and class/ grade of the fresh produce received, the quantity sold, the price/s received and the gross amount paid (prices may not be averages for the consignment or market);
- The amount and nature of each deduction for expenses incurred in the sale of the fresh produce;
- The amount and rate / scale at which remuneration was claimed;
- Particulars of any fresh produce, which has been discarded or in any other way found, unfit for sale.

Important to note is that proof of communication to the principal/ producer must be kept.

- Payments to principals/ producers:

Payment towards a principal/ producer must be made within 5 days of the produce being sold and should agree to the particulars reported to the producer (see 1.2). Either a cheque or electronic transfer may be used as means of payment.

When cheque payments are used, such a cheque may not be post-dated and may only be issued once.



**Payment takes place WITHIN 5 days from the produce being sold and NOT the consignment being completed.**

**Monthly requirements:**

- Agents commission and other deductions:
  - An agent must withdraw commission and other deductions at least once a month and the withdrawal must agree to what was communicated to the principal.
  - Should an agent make a withdrawal other than what was communicated, the agent must have a written proof from the principal that such a deduction and withdrawal may be made.
  
- Unclaimed monies:

In some instances principals are negligent in providing sufficient information to agency's to process payment to them after sales have taken place. When a principal/principal does not claim monies payable to them within 200 days after the date of sale, the money is regarded as unclaimed and must be paid over to APAC's Fidelity Fund with immediate effect. Principals are encouraged to visit APAC's website regularly to view unclaimed monies that have not yet been claimed.
  
- Monthly Trust reconciliations:
  - A trust reconciliation must be balanced and submitted to the Council within 21 days after the end of each month.
  - The purpose of a trust reconciliation is to identify and rectify differences between the two balances.
  - APAC further uses it to introduce transparency in the account of trust accounts to principals.

- Benefit of the trust reconciliation:
  - APAC uses this monitoring tool to determine if there are any discrepancies in the management of trust funds.
  - Agencies benefit, as the reconciliation will show, bank errors, duplicate payments as well as the tracking and correction of errors.
- Differences between the two balances occur due to:
  - Entries counted in the bank statement, not reflecting in the accounting records (e.g. bank charges, journal entries, interest, deposits and returned cheques, etc.)
  - Entries made in the accounting records, that are not yet known to the bank (e.g. deposits for sales, bank errors, etc.)

**Annual and Ad hoc requirements:**

- Fidelity Fund Contributions:

On an annual basis, each agency is responsible for making a contribution towards the Fidelity Fund at a minimum of R 500 or 0.02% of the gross business turnover of the agency, but limited to an amount determined by the Council. The period used is 1 July until 30 June of each year.

APAC will issue each agency with an invoice indicating the gross business turnover, that was confirmed by the agency's auditor, used to calculate the contribution as well as what the amount payable is.

All contributions are immediately payable to the Fidelity Fund. The Fidelity Fund is utilised in the unfortunate event where theft or fraud occurred pertaining to a principals produce.

- Maintenance fees:

A maintenance fee is payable in terms of Rule 13 & 14 by every holder of a fidelity fund certificate and is determined by the Council. The fees paid is used by the Council to administer all their operational objectives. The fee

is payable annually or with every new registration of an Agent, and cannot be apportioned. Payment for the annual maintenance fees must be made no later than 30 June and with initial registration of an agent, must be paid before a fidelity fund certificate will be issued.

- Security:

Every agency must, before a fidelity fund certificate is issued, provide the Council with security. The main purpose of security is for the Council to recoup any costs and expenses incurred during any process of investigation.

Security may be held at a banking institution (the original security document must be sent to APAC for safe keeping) or cash may be deposited into the Fidelity Fund of the Council, where it will be recorded and invested for only the purposes noted below. The amount of security held by an agency is reviewed on an annual basis and adjusted upon a formal request sent to an agency, if required.

The Council, at their discretion, for defraying costs/ part of costs of an investigation or inspection, where the Disciplinary Tribunal disciplined such an agent, may use the security.

The security will be returned to the agency, six months after the lapse of the fidelity fund certificate, dependant on any pending investigation or inspection and may, during this time, be required to increase the security amount.

- Interim and annual audit reports

The purpose of an audit is to obtain reasonable assurance that the agency has complied with the Act and that amounts included in the accounting records are appropriate.

The Act and Rules require that two reports must be submitted to the Council, an Annual and Interim Audit Report. The audit reports should be submitted as follows:

- Interim Audit Reports:

The report can be submitted from two months after the financial year end but not later than 10 months after the financial year end. Therefore the interim audit report may cover, any period from the first day after the financial year end up to eight months after the financial year end, but may not be less than two months after the financial year end. The due date, being eight months after the financial year end must also be taken into consideration, when selecting the audit period.

Annexure B: Interim Audit Report of the Rules must be used by the auditor.

- Annual Audit Reports:

The report must be submitted not later than 4 months after the financial year end. Based on the audit period covered in the Interim Audit Report, the Annual Audit Report will cover the remaining period, until the last day of the financial year end.

Annexure C: Annual Audit Report of the Rules must be used by the auditor.

## **PART E: UNDERSTANDING THE ROLE OF THE PRINCIPAL/FARMER**

### **9. Role of the farmer in the fresh produce marketing system**

The relationship between a principal and agent is a dual responsibility. Even though the Act and Rules prescribes certain minimum requirements agents and agency's need to adhere to, each and every principal also has a responsibility to uphold in ensuring that both trust funds and stock is managed and controlled appropriately.

A key to this relationship is that the produce never belongs to the agent or agency but is entrusted to them, therefore the principal stays responsible for his or her produce and must as far as possible limit its losses.

The basic flow of transaction model, used in part D, is as much applicable to an agency as it is to a principal. Each of the considerations made towards an agency is directly applicable to a producer in ensuring that all the necessary actions have been performed in order to ensure the best treatment not only of trust money but also produce. At any give stage, you as a principal may request the relevant reports where the minimum information was recorded.

In addition to the above the following additional considerations must also be taken into account:

- Produce supplied must in the correct form and packaging as prescribed by the Agricultural Products Standards Act, 1990 (Act No. 119 of 1990).
- Ensure that you supply your product to an agency or agent that is registered with APAC and is in possession of a valid Fidelity Fund Certificate. You are encouraged to request the agency for a copy of their fidelity fund certificate and the registration certificate of the sales person.
- Verify the standing of the Agency on APAC's website in terms of trust reconciliation submissions, trust shortages, audit qualifications, disciplinary hearings held, etc.

- Visit the APAC website regularly to ensure the Agency and the sales personnel are still registered with APAC.
- Ensure you receive at least weekly written reports, which reflect the volumes of unsold and sold fresh produce, as well as the prices achieved.
- Visit your agent on the market as regularly as possible.
- Ensure you receive payment within 5 working days after the sale of the fresh produce. Also report immediately any deviations in this regard to APAC
- Any other irregularities must also be reported to APAC and the Market immediately to ensure proactive mitigation.
- Fixed prices cannot be guaranteed as the price discovery model must be followed by all agents in determining a price which both you as the principal and the buyer is accepting.

## **PART F: UNDERSTANDING THE QUALITY STANDARDS AND MARKET REQUIREMENTS FOR FRESH PRODUCE**

Marketing standards for agricultural products are designed to ensure that the product supplied to the market is sound, clean, correctly labelled, of marketable quality and achieves a particular quality class. Just like other agricultural commodities, the quality standards for fresh produce in South Africa are regulated by the Department of Agriculture Forestry and Fisheries (DAFF) in terms of the Agricultural Products Standards Act, 1990 (Act No. 119 of 1990) (APS Act). Over and above the requirements of APSA Act, different buyers often set their own standards that the producer needs to comply with in order for such buyers to accept the produce from producers. There are also in existence the voluntary standards that the producer might want to be certified for, such as South African Good Agricultural Practices (SA-GAP) and Global Good Agricultural Practices (Global GAP). The South African quality Standards and market requirements for fresh produce in South Africa are detailed in the forthcoming sections.

### **10. Grading, packing and marking requirements**

A summary of minimum standards for grading, packaging and marking of fresh produce is presented in this section. The abovementioned standards are enforced by the Department of Agriculture, Forestry and Fisheries through the Agricultural Products Standards Act (Act No. 119 of 1996) and its regulations. This section therefore does not seek to serve as replacement to the APS Act and its regulations. It is still very important for producers and other role-players to familiarise themselves with the Act and its accompanying regulations in order to gain a deeper understanding about quality standards for different fruits and vegetables.

## Vegetables

- Classes for fresh vegetables
  - Fresh vegetables are sold as either classified fresh vegetables or unclassified fresh vegetables.
  - There are four classes of classified fresh vegetables namely Class 1, Class 2, Class 3 and lowest Class.
  - Detailed specifications for different classes of different vegetables are issued on a regular basis by DAFF in the form of regulations, namely: "Regulations relating to the grading, packing and marking of fresh vegetables intended for sale in the Republic of South Africa.
  - As a general requirement, no consignment of fresh vegetables classified as Class 1, Class 2, Class 3 and Lowest Class shall contain:
    - (i) plant injurious organisms of phytosanitary importance as specified by the Department of Agriculture, Forestry and Fisheries;
    - (ii) any organisms which may be a source of danger to human being; and
    - (iii) Arthropoda infestation including the organisms that do not form part of injurious organisms.
  
- Container, packing and marking requirements for vegetables
  - Requirements for containers:**
  - Containers in which fresh vegetables are packed in shall;
    - be intact, dry, clean, suitable and strong enough for the packing and normal handling of fresh vegetables;
    - not impart a taste or odour to the fresh vegetables;
    - be free from any matter other than the fresh vegetables packed therein and the packing material in which fresh vegetables are customarily packed;
    - in the case of containers that are re-used, the container should:
      - (i) be of such material that the container can be cleaned and disinfected prior to re-use;

- (ii) be thoroughly cleaned before fresh vegetables are packed therein;
    - and
  - (iii) be free from all marks and etiquettes removed or be covered by new etiquettes.
- An outer container shall be strong enough not to bulge out or dent in during normal handling and transporting practices.

**Packing requirements and material:**

- Only fresh vegetables of the same quality, cultivar and size (if sizes are prescribed by regulations) must be packed together in the same container;
- Class 1 in the same container must be uniform with regard to colour and ripeness;
- Class 2 and Class 3 in the same container must be uniform with regard to colour;
- The visible part of the contents of the container must be representative of the entire contents;
- Each container must be packed firmly and to capacity;
- All specific fresh vegetables must comply with packing and sorting requirements as set out in the regulations for those specific vegetables;
- If packing material is used inside the containers, such packing material shall:
  - (i) be clean, dry, odourless;
  - (ii) be of a quality such as to avoid causing any external or internal damage to the fresh vegetables; and
  - (iii) not transmit to the fresh vegetables any harmful substance or any substance that may be injurious to human health.

**Marking requirements:**

Marking or labelling of fresh produce is very critical from traceability point of view and also to ensure that consumers get vital information about the

food they consume. In South Africa the labelling requirements for agricultural products are prescribed in accordance with Agricultural Products Standards Act, 1990 (Act No. 119 of 1990). In terms of that Act, each container containing fresh vegetables destined for sale must be marked in a clear and legible letters and figures with the following particulars:

- The name or trademark and physical or postal address of either the producer or owner or importer or packer of the fresh vegetables packed in that container;
- The expression "Class 1", "Class 2", "Class 3" and "Lowest Class", as the case may be;
- The total number of prepacked units per outer container;
- The total number (count) of vegetables in each container or the net mass or size of the vegetables;
- The name of the type of fresh vegetables in the case of containers where the contents are not visible from outside;
- The packing date; and
- Country of origin.

## **Fruits**

- Classes and standards for fruits
  - Although there are different ranges for classes of different types of fruits, generally there are three classes of fruits, namely Class 1, Class 2 and Lowest Class.
  - Other fruits such as apples and pear have only two Classes, namely Class 1 and Class 2.
  - Producers and everyone involved in the fruit value chain is required by law to ensure that the fruits sold in South Africa are fit for human consumption and contain no chemical residue that exceed the prescribed maximum residue levels.
  - No consignment of fruits classified as Class 1, Class 2 or Lowest Class shall contain:

- (i) any foreign matter in excess of the tolerance as set out in the regulations relating to such fruits; and
  - (ii) any organisms that may be a source of danger to the human being.
  
- Packing requirements for fruits
  - Containers in which fruits are packed shall:
    - (i) be clean, dry, undamaged and suitable;
    - (ii) not impart a foreign taste or odour to the fruits;
    - (iii) be free from any visible sign of fungus growth;
    - (iv) be free from Arthropoda infestation; and
    - (v) be strong and rigid enough to ensure that the original shape be retained and not bulge out, dent in, break or tear to the extent that the fruits are at risk of being damaged during normal storage, handling or transport.
  - Only fruits of the same quality, cultivar, ripeness and size shall be packed together in the same container.
  - Class 1 fruits in the same container must be uniform in colour.
  - Each container shall be packed firmly and to capacity.
  - If fruits are packed in pre-packed units, such units shall be packed in a suitable manner in an outer container: provided that the prepacked units are clean, dry, undamaged and suitable.
  
- Marking requirements for fruits
  - Each container containing fruits must be marked clearly, indelibly, legibly and not untidy, in letters and/or numerals on any visible short or long side of the lid or container, where lids are not used, by printing, stamping or by means of specially designed labels with the following particulars: Provided that all particulars shall be grouped on the same side:
    - (i) The name of the fruit concerned.
    - (ii) The appropriate cultivar.

- (iii) The appropriate class in accordance with regulations.
- (iv) The name and physical or postal address of the producer or owner of the contents of the container.
- (v) The country of origin.
- (vi) Indication of date on at least 90% of the containers and prepacked containers.
- (vii) The total number (count) of fruits in each container or the net mass or size of the fruits.

## **11. SA Good Agricultural Practices Certification**

### **What is SA-GAP?**

- SA-GAP is a set of practices that address environmental, economic and social sustainability for on-farm processes and result in safe and quality food and non-food agricultural products. In simple language, SA-GAP stands on four pillars (economic viability, environmental sustainability, social acceptability and food safety and quality).
- SA-GAP certification further addresses basic food safety requirements including: traceability of fresh produce from the point of production to the retailer until it reaches the final consumer and record keeping of all activities undertaken during the production of fresh produce, hygiene and responsible use of agrochemicals (pesticides, fungicides and fertilizers).

### **Benefits of the SA-GAP Certification Program**

Amongst others, producers, retailers and consumers will realise the following benefits from SA-GAP Certification program:

- Producers:
  - Improve participation of smallholder producers in the mainstream agricultural economy by insuring compliance to minimum food safety and quality standards required by commercial mainstream markets;

- Enhance competitiveness and increased participation by the smallholder producers in local markets and in a long run enhance their participation in international markets;
  - Equip smallholder producers with efficient farm management practices;
  - Assist smallholder producers to comply with legislation on food safety, environmental protection and animal and workers' welfare;
  - Facilitate and build necessary technical and managerial capacities among producers and producers' groups; and
  - Assist in mobilising the financial means for realising necessary infrastructural and other related investments in the agricultural value chain.
- Retailers:
    - Source and provide safe, high quality and hygienic food;
    - Increase consumer confidence in the produce supplied by retailers;
    - Reduce non-compliance to food safety regulations at retail level;
    - Develop a network with reliable producers; and
    - Ensure traceability of products should any food safety hazard be detected.
- Consumers:
    - Assurance to of high quality and safe food at retail and farm level; and
    - Minimal risk of diseases associated with improper food production and handling techniques (minimized chemical, microbial and physical hazards on food).

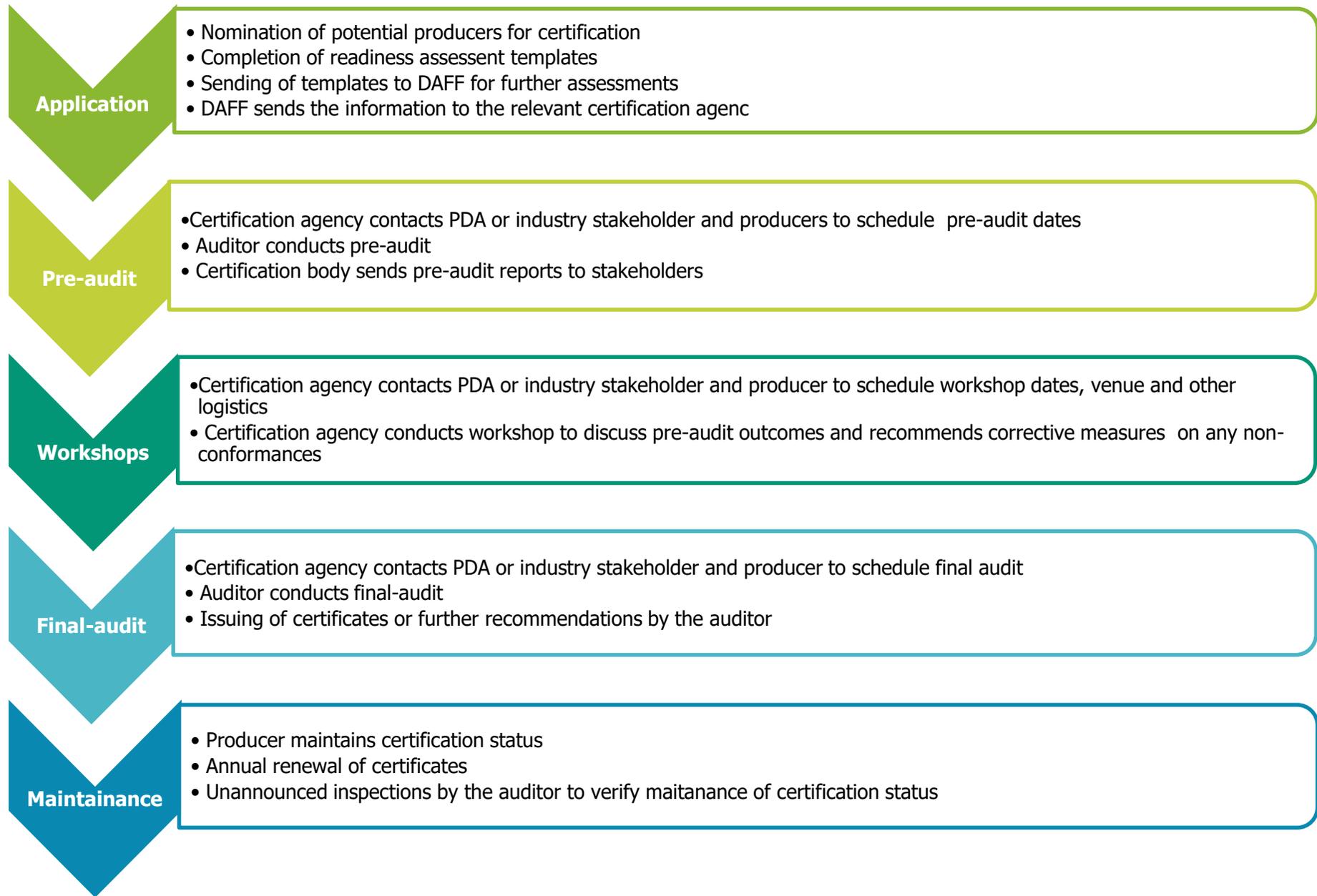
### **Basic Requirements for participation in the SA-GAP Certification Program**

For the producer to be considered for participation in the certification program, the following basic conditions should be met. ***The producer must:***

- Understand the need, requirements and advantages of being certified,
- Be fully committed to participate in the program,
- Be willing to implement the recommendations from the auditor,
- Be in production and utilize available production facilities to their utmost best (if the produce produced is out of season, the producer must be willing to continue with production in the new production season/cycle),
- Have access to irrigation water, land, and other basic production infrastructure, and
- Have production infrastructure which is in reasonably good condition (i.e. the program is not designed for dilapidated business entities).

### **Process flow for SA GAP certification program**

The basic process flow for SA-GAP Certification is summarised in the figure below.



## **PART G: UNDERSTANDING BIOSECURITY AND PHYTOSANITARY MATTERS**

### **12. Biosecurity and phytosanitary matters**

#### **What is Biosecurity**

Biosecurity is the management of risks to economy, the environment, and the community of pests and diseases entering, emerging, establishing or spreading. Biosecurity can be implemented off-shore, at the border (points of entries) or on farm.

Biosecurity measures in agriculture are needed to:

- Protect agricultural production systems and those dependent on these systems; producers and rural communities who rely on agriculture for income generation and food supply can see their livelihood destroyed by plant pests and diseases.
- Protect human health, thereby ensuring consumer confidence and trust in agricultural products. Biosecurity measures are essential to protect consumers.
- Protect the environment and thereby promote sustainable use/production of plant resources.
- To achieve optimal levels of agricultural biosecurity risks reduction.

#### **Quarantine pests and phytosanitary measures**

Plants (forestry, **vegetable** and horticultural crops, grains, fruits, etc.) are capable of harbouring potentially damaging pests. A plant pest as defined by the International Plant Protection Convention (IPPC) is any species, strain or biotype of plant, animal or pathogenic agent injurious to plants or plant products. Two categories of plant pests are directly subject to official regulation, namely quarantine pests and regulated non-quarantine pests. Quarantine pests are pests of potential economic importance to the area endangered thereby and not yet present there or which, if present, are not widespread and are officially controlled. On the other hand, regulated non-quarantine pests are pests which are already present in an area: the presence of such pests in plants for planting

has an economically unacceptable impact on the intended use of those plants, however, so they are regulated within the territory of the importing party.

Plant health regulations or phytosanitary measures focus on preventing, controlling and mitigating the introduction, spread and establishment of quarantine pests of plants.

The negative impacts of quarantine pests are widespread, affecting the environment and economy and therefore society in general. Pest introductions and outbreaks cost governments, farmers and consumers millions of Rand every year due to loss of earnings from lower yields or destruction of crops and the implementation of control measures. Once pest species become established, their eradication is often impossible or not economically feasible. At the very least, pest control takes up a significant percentage of the cost of producing food. Such costs impact negatively on the availability, quality and international competitiveness of South African agricultural and forestry commodities.

Some of the Quarantine pests of economic importance in the country are Oriental fruit fly (*Bactrocera dorsalis*), Tomato leaf miner (*Tuta absoluta*), Melon fruit fly (*Bactrocera Curcubitae*), Spotted wing drosophila (*Drosophila suzukii*), European grapevine moth (*Lobesia botrana*) and other pest/disease of exotic origin.

## **National legislation and international obligations**

South Africa is a signatory member of the World Trade Organisation Agreement on the Application of Sanitary and Phytosanitary Measures (WTO – SPS Agreement) and the International Plant Protection Convention (IPPC). As such the country has the rights and obligations to abide by the rules and regulations as set out in the two international organisation in trading agricultural produce. The IPPC as an international standard setting body provides guidance in the development and adoption of phytosanitary measures to be followed by each member country when trading plants and plant products.

The current phytosanitary regulatory system of our country is administered under the Agricultural Pests Act, 1983 (Act No.36 of 1983) which provides for measures by which agricultural pests may be prevented and combated, and for matters connected therewith.

## **Inspections done at the market**

- Wood packaging material

Wood packaging material is regulated in international trade to reduce the risk of introduction and/or spread of the associated quarantine pests. All regulated wood packaging materials (e.g. wooden pallets) must be debarked, treated with methyl bromide or heat treated and bears the relevant IPPC mark to indicate that it complies with international standard for phytosanitary measure (ISPM 15) number 15. The IPPC mark should be legible, permanent and not transferable, placed in a visible location, preferably on at least two opposite sides of the pallet.

- Inspection and auditing

The Perishable Products Export Control Board (PPECB) inspects all fresh produce at the points of inspection to ensure that it conforms to export quality requirements. Website of PPECB: [www.ppecb.com](http://www.ppecb.com); tel: +27 21 930 1134; fax: +27 21 939 6868; email: [ho@ppecb.com](mailto:ho@ppecb.com). DAFF audits its

assignee, the PPECB, at the points of inspection: ports, pack houses and container depots.

- Management and control through inspection

- PPECB inspection contact points in provinces

Since 1991, the PPECB has been mandated by the Department of Agriculture, Forestry and Fisheries to deliver food safety audits and end-point quality inspection services on perishable products destined for export. The PPECB is South Africa's official quality certification agency and its impartial and independent services significantly reduce risks for producers and exporters. Assessors are stationed across South Africa and deliver inspection services on 200 product types at more than 1 500 locations across the country. Approved export products carry the PPECB "passed for export" stamp, which is regarded as a symbol of quality assurance to clients and consumers across the globe.

- Phytosanitary inspections

Phytosanitary inspections are done by the department's inspectors for all markets, all types of fruit and plant products. The phytosanitary inspections are different from quality inspections because they focus on quarantine pests and diseases, while quality inspection focusses only on the final quality of the fruit. The inspections are mandatory and depend on the nature of the permit conditions. In some cases phytosanitary certificates are issued on the basis of PPECB inspections.

In terms of export of fresh produce, some of the phytosanitary measures to be considered or to be undertaken by farmers involves on-farm and posts harvest in inspections relative to prescribed fumigation or pesticides/insecticides application, good agricultural practices for pests management, Production Unit Code (PUC) pest

surveillance and heat treatment, fumigation, cold treatments, FBO registration on exports most importantly on exports. On exports, certain markets will require a payable phytosanitary certificate obtainable from DAFF, the costs changes every year. Detection of quarantine pests/disease upon arrival of consignment at the country of import may lead to rejection and or consignment can be destroyed or returned back to the country of origin or export as a measure to prevent introduction of quarantine pests in the country of import.

The local phytosanitary measures involves pests reporting, regulation of movement of host products/material from quarantine area to non-quarantine area in terms of Agricultural Pests, Act, 1983 (Act No. 36 of 1983) as well as on farm treatments such as fumigation, sanitation and integrated pests management in general. Movement of host products from quarantine area to non-quarantine area requires a removal permit obtainable from DAFF free of charge however applications must be done at least 30 days prior removal.

## GLOSSARY

<b>Term/ abbreviation</b>	<b>Description/ explanation</b>
<b>Act</b>	Act refers to the Agricultural Produce Agents Act, Act 12 of 1992
<b>Agent</b>	Means a person who, for the acquisition of gain on his or her own account or in a partnership, in any manner holds himself or herself out as a person who, either directly or indirectly advertises that he or she, on the instructions of or on behalf of any other person, purchases or sells agricultural produce or negotiates in connection therewith or canvasses or undertakes or offers to canvass a purchaser or seller therefor
<b>APAC</b>	Agricultural Produce Agents Council
<b>Council</b>	Refers to the Council established in terms of the Act
<b>DAFF</b>	Means the Department of Agriculture Forestry and Fisheries
<b>Principle</b>	Means the person giving instruction or who an agent is acting on behalf
<b>Procure</b>	Means acting on behalf of a principal or on his instruction.
<b>Regulations</b>	Means regulations issued in terms of Agricultural Products Standards Act, 1990 (Act 119 of 1990), relating to the grading, packing and marking of either fruits and/or vegetables
<b>Rule/s</b>	Refer to the Rules in Respect of Fresh Produce Agents, Export Agents and Livestock Agents.