PRESENTATION OUTLINE

- Background
- Strategy In Detail
- Employment Equity, Transformation & Skills Development
- Finance & Budgets
PPECB’S LEGISLATIVE FRAMEWORK

**Act 9 of 1983 – PPECB ACT (supply/cold chain logistics)**
- establishes and mandates PPECB
- provides for control & management of orderly of South African perishable products exports

**Act 119 of 1990 – APS ACT (export certification)**
- Appoints PPECB as assignee/public service provider (1991)
- ensures export food safety and quality standards of regulated agricultural products are complied with.

**Act 1 of 1999 – PFMA ACT (corporate governance)**
- regulates financial management and good governance in government and public entities
- reports to government
100 % CONSIGNMENTS ARE INSPECTED

ACTS

APS Act 119 of 1990

Quality MRL
Food safety
Traceability

Export certificate

Temp instruction letter

PPECB Act 9 of 1983

Temperature & Cold treatment management
Equipment certification

Phytosanitary requirements
Bilateral agreements

Phyto certificate

Ag. Pest Act 36 of 1983

100 % CONSIGNMENTS ARE INSPECTED

STATUTORY ORGANISATION EU 1580/2007 APPROVAL

PPECB your passport to international trade
PPECB CORPORATE GOVERNANCE MODEL

MINISTER OF AGRICULTURE FORESTRY & FISHERIES

PPECB BOARD OF DIRECTORS

CEO & Executive Management

VISION MISSION STRATEGY
**VISION**

- "A Partner in the Global Competitiveness of the SA Perishable Products Industry"

**MISSION**

- Building Competitive Capacity in our People and Systems and in Industries we serve in order to Instil WW Confidence

**VALUES**

- Professionalism
- Accountability
- Passion
- Integrity
- Confidence

---

**PPECB**

your passport to international trade
DELIVERY MODEL – STRATEGIC OBJECTIVE

SO1 • ENHANCE THE CREDIBILITY OF THE EXPORT CERTIFICATE

SO2 • SUPPORT THE EXPORT COMPETITIVENESS OF SA PERISHABLE PRODUCTS INDUSTRIES

SO3 • STRENGTHEN PPECB’s CAPACITY AS A CREDIBLE SOURCE OF STRATEGIC INFORMATION FOR SERVING INDUSTRIES & STAKEHOLDERS

SO4 • SUPPORT GOVT. IN ENSURING CONFIDENCE IN QLTY ASSURANCE & FOOD SAFETY SYSTEMS FOR LOCAL PERISHABLE PRODUCT MARKETS

SO5 • SUPPORT GOVT. IN DEVELOPING SYSTEMS TO ENSURE COMPLIANCE WITH SA FOOD SAFETY & QLTY STANDARDS FOR IMPORTED PRODUCT
## THE WORLD PPECB LIVES IN

<table>
<thead>
<tr>
<th>Future of Regulatory Regimes</th>
<th>✓ Increased Self Regulation ✓ Cost of doing Business ✓ Power of Industry Organisation ✓ International Trade in Fruit &amp; Veg</th>
</tr>
</thead>
<tbody>
<tr>
<td>Shareholder Performance</td>
<td>✓ New DAFF - Opportunities ✓ Administrative Capacity of DAFF ✓ Opportunities of PPC Engagement ✓ Lobbying (Business vs. Industry)</td>
</tr>
<tr>
<td>PPECB Business Growth Strat.</td>
<td>✓ Business Risk Mngnt Profile ✓ Food Control System (Local, etc)</td>
</tr>
</tbody>
</table>
KEY ISSUE IN INTER. ENVIRONMENT:

- HUMAN CAPITAL
  - CULTURE
    - Empl. Equity
    - Gender
    - Disability
  - COMPETENCY
    - Competency vs. Org Needs
    - Skills Audit Database
  - CAPACITY
    - Job/Person Match
    - Attitude
    - HRD Role

EE Plan
- Skills Audit Performance
- Perfm Mngmnt & PDPs

PPECB VISION 2020
PPECB
your passport to international trade
KEY ISSUES IN INTER. ENVIRONMENT:

- BUSINESS MODEL
  - Regional Derm.
  - Prgrm Mngmnt
  - Bus. Div Comp & Structure

- INFRASTRUCTURE
  - IT Enablement
  - Corpate Services Capacity

- CAPACITY
  - Business Proc. Analysis Capacity

Cont. Business Modeling
Cont. Infrastructure Audit
Business Process Review

PPECB VISION 2020
PPECB
your passport to international trade
KEY ISSUES IN INTER ENVIRONMENT:

- STRUCTURE & GOVERNANCE
  - BOARD OF DIRECTORS
    - Composition
    - Corp. Governance
  - EXCO
    - Competency
    - Cohesion & Peer Review
    - Consolidation
  - MANCO
    - Role
    - Ind. & Collective Compt. & Capcty
    - Composition

Board Evaluation
EXCO Evaluation
MANCO Evaluation

PPECB VISION 2020
your passport to international trade
PPECB Value Chain Analysis

- Orchard
- Packhouse
- Inspection
- Coldstore
- Inland Depot
- Export port
- Import port
- Discharge
- Supermarket
- Consumer
- Loading
- Ship
- Import port
- Depot
- Coldstore
- Inspection
- Inspection
- Inspection
Research & Development

Quality Inspections

Food Safety Audits

Industry Statistics

Training & Advice

Private Certification Services

Cold Chain Management

Inland Phyto Inspections

PPECB
your passport to international trade
PPECB offices vs. Prod. Regions

- Pome stone
- Sub-tropical
- Citrus
- Grapes
- Other

Locations:
- Cape Town
- George
- Port Elizabeth
- East London
- Durban
- Maputo (seasonal)
- Lesotho
- Bloemfontein
- Tzaneen
- Nelspruit
- Zimbabwe
- Mozambique
- North West
- Mpumalanga
- Limpopo
- Northern Cape
- Eastern Cape
- Western Cape
- KwaZulu-Natal

Produce regions:
- Citrusdal
- Ceres
- Worcester
- Grabouw
- Paarl
- Upington (seasonal)
- Kimberley
- Johannesburg
- East London
- Port Elizabeth

Fruits highlighted:
- Pome stone
- Sub-tropical
- Citrus
- Grapes
- Other
PPECB in the Supply Chain...
PPECB in the Supply Chain...
PPECB in the Supply Chain...
PPECB in the Supply Chain...
PPECB STRATEGY IN DETAIL
2010_2011
Government Priorities for the Next 4 Years

1. Creating decent work & sustainable livelihoods;
2. Education;
3. Health;
4. Rural Development, food security & Land Reform;
5. Fight against crime & Corruption.
Strategic Context......

Medium Term Strategic Framework 2010

1) Speeding up growth transforming economy create decent work sustainable livelihoods;
2) Social & Economic Infrastructure;
3) Rural Development linked to Land Reform;
4) Investment in Skills & Human Resource base;
5) Improving Nations health profile;
6) Fight against crime and corruption;
7) Develop Cohesive and sustainable Communities;
8) Improve International Cooperation;
9) Implement sustainable natural resource management;
10) Democratic developmental State.
MTSF Outcomes – PPECB Relevance 2010

✓ **Outcome(4)** – Decent employment through inclusive economic growth;

✓ **Outcome(5)** – Skilled and capable workforce to support an inclusive growth path;

✓ **Outcome(6)** – An Efficient, competitive and responsive economic infrastructure network;

✓ **Outcome(7)** – Vibrant, equitable, sustainable rural communities contributing towards food security for all.
## Decent Work Through Inclusive Economic Growth (O4)

<table>
<thead>
<tr>
<th>PPECB Strategic Objective</th>
<th>Target</th>
<th>Action Plan / Activities</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Support the Global Competitiveness of the South African Perishable Products Industry (SO2)</strong></td>
<td>Enrol a minimum of 20 Intakes in the AETP per Annum</td>
<td>✓Sustain Interventions &amp; Intake within the PPECB Export Technologist Programme</td>
</tr>
<tr>
<td></td>
<td></td>
<td>✓Design programmes for implementation within the “Youth Employment Incentive Scheme” announced in the Min. of Finance Budget Speech.</td>
</tr>
<tr>
<td></td>
<td>At least one Project in Each Province</td>
<td>✓Roll-out the PPECB Training Academy</td>
</tr>
<tr>
<td></td>
<td></td>
<td>✓Partner with National Agriculture Public Entities (ARC, NAMC, OBP, Land Bank) to train Subsistence &amp; Smallholder Farmers</td>
</tr>
</tbody>
</table>
## Skilled and Capable Workforce to Support an Inclusive Growth Path (O5)

<table>
<thead>
<tr>
<th>PPECB Strategic Objective</th>
<th>Target</th>
<th>Action Plan / Activities</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>“PPECB People Strategy”</strong></td>
<td><strong>“PPECB People Strategy”</strong></td>
<td><strong>“PPECB People Strategy”</strong></td>
</tr>
</tbody>
</table>
| Support the Global Competitiveness of the South African Perishable Products Industry (SO2) | Fully implement Talent Management Framework consistently during the next 4 years | ✓Sustain Interventions & Intake within the PPECB Export Technologist Programme
✓Expand Staff development Initiative Programmes (PPECB Talent Management Framework). |

---

*PPECB: Public Private Economic Cooperation Board*
## Efficient, Competitive and Responsive Economic Infrastructure Network (O6)

<table>
<thead>
<tr>
<th>PPECB Strategic Objective</th>
<th>Target</th>
<th>Action Plan / Activities</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Support the Global Competitiveness of the South African Perishable Products Industry (SO2)</strong></td>
<td>Engage All relevant TRANSNET operating Divisions (MoU already signed with TNPA) – Long-term Engagements</td>
<td>✓Support TNPA in the design of South African National Sea Port to accommodate Efficient Exports of Fresh Fruit &amp; Vegetables</td>
</tr>
<tr>
<td></td>
<td>Engage in Partnerships with @ least two Fresh Produce Markets per Annum</td>
<td>✓Support TRANSNET with Relevant Information in the Design/Planning of Rail network to Support movement of Bulk Fresh Fruit &amp; Vegetables for Export</td>
</tr>
<tr>
<td></td>
<td>✓Assist Local Govt. with Infrastructure design for Efficient Local Fresh Produce Markets</td>
<td></td>
</tr>
<tr>
<td>Supporting Document Title</td>
<td></td>
<td></td>
</tr>
<tr>
<td>---------------------------</td>
<td>---</td>
<td>---</td>
</tr>
<tr>
<td><strong>PPECB Strategic Objective</strong></td>
<td><strong>Target</strong></td>
<td><strong>Action Plan / Activities</strong></td>
</tr>
<tr>
<td></td>
<td>At least one Project in the ECape, Limpopo, WCape.</td>
<td>✔Partner with Industry Players (Associations or Companies) to enhance productivity/quality standard of Small Growers.</td>
</tr>
<tr>
<td><strong>Support the Global Competitiveness of the South African Perishable Products Industry (SO2)</strong></td>
<td>Minimum of one Project per Province.</td>
<td>✔Partner with National Agriculture Public Entities (ARC, NAMC, OBP, Land Bank) to support Identified Land Reform Projects – Land Bank to be the lead Agent (MoU between the Entities exists)</td>
</tr>
<tr>
<td></td>
<td>Report on All Provinces by November 2010</td>
<td>✔Conduct Research on failed Land Reform Fruit Farms and share with Department of Land Reform &amp; Rural Development.</td>
</tr>
</tbody>
</table>
THE Business PLAN

RISK MNGMNT

OUTPUTS

OUR PEOPLE

BUDGETS & FINANCE

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Vision on People

To offer a conducive environment for dynamic and knowledgeable people in order to build a diverse workforce representative of the South African Society

Mission about People

Investment in people development
Creating an enabling environment
Application of best people processes
**PEOPLE STRATEGIC OBJECTIVES**

- Integrated Talent Pipeline Management
- Creation of People Capacity to Deliver on Business Strategy
- Application of Best People Practices
- Creating Intrinsic Value for Stakeholders
- Entrenchment of Employee Wellness

**OUTPUTS**

- Career Path
- AETP
- Performance Management
- Key Skills Retention
- People Development
- Integrated Skills Development Plan
- Creation of Specialists Positions
- Harmonisation Programme
- Leadership Development
- Assisted Study Scheme
- Bench Marks
- Policy Reviews
- Measure Organisation Effectiveness
- Leverage Technology for Optimal People Management
- Effective Consultation Structures
- Fully Integrated Employee Wellness Programme

**PERFORMANCE INDICATORS**

- 32 Promotion
- 103 AETP Students Enrolled
- 48 Graduated at NQF Level 5
- 85% of Staff Exceeded Standards
- Training Spent 5.6% of Cost of Employment
- Legal Compliance
- Accelerated Skills Transfer
- 11 PDI’s on New Management Development Programme
- Employee Perception Surveys
- Effective Reporting
- Employees Well Being Reports

**ENTRENCHMENT OF EMPLOYEE WELLNESS**

- Your passport to international trade
Workforce Profile: Feb 2010

- 31% A
- 39% C
- 24% I
- 4% W

PPECB
your passport to international trade
# Employment Equity Profile

<table>
<thead>
<tr>
<th>Permanent Employment</th>
<th>April 2008</th>
<th>April 2009</th>
<th>Feb 2010</th>
</tr>
</thead>
<tbody>
<tr>
<td>African Male</td>
<td>47</td>
<td>77</td>
<td>84 (24%)</td>
</tr>
<tr>
<td>African Female</td>
<td>18</td>
<td>40</td>
<td>53 (15%)</td>
</tr>
<tr>
<td>Coloured Male</td>
<td>45</td>
<td>53</td>
<td>56 (16%)</td>
</tr>
<tr>
<td>Coloured Female</td>
<td>26</td>
<td>25</td>
<td>27 (8%)</td>
</tr>
<tr>
<td>Indian Male</td>
<td>13</td>
<td>12</td>
<td>12 (3%)</td>
</tr>
<tr>
<td>Indian Female</td>
<td>1</td>
<td>3</td>
<td>5 (1%)</td>
</tr>
<tr>
<td>White Male</td>
<td>103</td>
<td>88</td>
<td>81 (24%)</td>
</tr>
<tr>
<td>White Female</td>
<td>37</td>
<td>34</td>
<td>32 (9%)</td>
</tr>
<tr>
<td>People living with disabilities</td>
<td>0</td>
<td>0</td>
<td>1</td>
</tr>
</tbody>
</table>
FINANCE & BUDGETS
PPECB’s Programmes

**Business Operations**
- Statutory Services
- Value Added Services
- Development Services

**Governance**
- Chief Executive’s Office
- Communications
- Legal & Secretariat
- Risk Management

**Corporate Services**
- Human Resources
- Information Technology
- Finance
- Internal Audit
- Business Management Systems
## Budget Realities

<table>
<thead>
<tr>
<th>Reality</th>
<th>Factors</th>
<th>Response</th>
</tr>
</thead>
</table>
| **PPECB is a regulatory operator who needs to fulfill legislative requirements** | • Compliance to legislation  
• International standards  
• Resource & skill intensive  
• Geographic spread  
• High level of judgment & consistency in application | • Legislative review  
• Partner with government & other public entities  
• Harmonise skills, AETP, development programmes  
• Transfer knowledge through technical workshops, forums  
• Achieve ISO 17020 |
| **Diverse stakeholder needs & operating practices** | • Decentralised operations  
• High responsiveness  
• Consistency in application  
• Reduced cost  
• Increased governance & compliance regulations | • Efficiency improvement & cost savings projects such as alternative methodologies, CCQI, Electronic data interchange, upgrade of ERP solution, electronic communication, procurement practices  
• Growth in value added services  
• Harmonise standards and application of standards  
• Skills gap audit  
• Establish communication channels |
| **Tight market & economic conditions** | • Stagnant export volumes  
• Relatively high inflationary items, i.e. accommodation, travelling, label printing  
• Strengthen competitiveness | • Risk management  
• Efficiency improvement & cost savings projects  
• Growth in value added services |
| **Responsibility of Public Entity to respond to SA’s social needs & APEX priorities** | • Support emerging farmer  
• Transfer in skills | • PPECB Training Academy  
• AETP  
• MOU’s: JFPM |
<table>
<thead>
<tr>
<th>Reality</th>
<th>Factors</th>
<th>Response</th>
</tr>
</thead>
</table>
| Industry structures and practices drive activities | ▪ Decentralised and nature of activity points  
▪ Packing and loading programmes  
▪ Independent judgments, harmonised & skilled resources  
▪ Regulated fixed sample methodology  | ▪ Alternative sample methodologies,  
▪ Mobile communications  
▪ Harmonise standards  
▪ Resource placement framework  
▪ Flexible work pool  
▪ Multi-skilling |
| Knowledge based driven entity               | ▪ Individual judgments  
▪ Diverse technical knowledge  
▪ Harmonised application  
▪ Age, gender and equity profile  
▪ Working conditions  
▪ Staff wellness | ▪ Skills audit  
▪ Training & development, AETP programme, harmonising programme  
▪ Dialogue worksops  
▪ Succession planning  
▪ Fair remuneration structures |
| Growing need for technology to support business | ▪ PPECB source of detailed information  
▪ Source of data external and fragmented  
▪ Access to and security of data  
▪ Large volumes of detailed data  
▪ Complexity in business processes  
▪ Human resource constraints  
▪ Cost efficiency opportunities | ▪ Electronic data interchange  
▪ Electronic processing of data to assist decision-making  
▪ Upgrade of ERP system (Navision)  
▪ Mobile communications  
▪ Storage area network |
## Budget Framework

<table>
<thead>
<tr>
<th></th>
<th>2011</th>
<th>2010</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Annual salary adjustment</td>
<td>8.6%</td>
<td>9.0%</td>
<td></td>
</tr>
<tr>
<td>Inflation rate on business expenses</td>
<td>6.7%</td>
<td>10.3%</td>
<td></td>
</tr>
<tr>
<td>Average hourly rate</td>
<td>R370</td>
<td>R335</td>
<td>10%</td>
</tr>
<tr>
<td>Average kilometer claim</td>
<td>R1.29</td>
<td>R1.29</td>
<td>0%</td>
</tr>
<tr>
<td>Subsistence allowance</td>
<td>R220</td>
<td>R200</td>
<td>10%</td>
</tr>
<tr>
<td>Accommodation daily rate</td>
<td>R175</td>
<td>R171</td>
<td>3%</td>
</tr>
</tbody>
</table>
Changes in Budget 2011

<table>
<thead>
<tr>
<th></th>
<th>Income E2010</th>
<th>Expense E2010</th>
<th>Budget 2010</th>
</tr>
</thead>
<tbody>
<tr>
<td>Base</td>
<td>R 147.4</td>
<td>R 137.3</td>
<td>R 144.9</td>
</tr>
<tr>
<td>Change B2011</td>
<td>R 18.7</td>
<td>R 27.1</td>
<td>R 19.5</td>
</tr>
</tbody>
</table>

12.7% 19.7% 13.5%
Divisional activities % of Total

Income
- APS Inspection Fees 63.1%
- PPECB Export Levies 23.5%
- Value Added Services 10.1%
- Interest 3.3%

Expenditure
- Statutory Services 65%
- Corporate Services 18%
- Value Added Services 12%
- Governance 5%
# Budget expense summary

<table>
<thead>
<tr>
<th>Description</th>
<th>R'000</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Estimate expenditure 2011</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Employment expenses</td>
<td>R17 140</td>
<td>12.5%</td>
</tr>
<tr>
<td>Strategic projects</td>
<td>R3 030</td>
<td>2.2%</td>
</tr>
<tr>
<td>Relief duty: 2 530 days at R415 and 190 000km’s at R1.29</td>
<td>R1 295</td>
<td>0.9%</td>
</tr>
<tr>
<td>Timing of expenditure: Technical equipment, labels, ISO</td>
<td>R1 100</td>
<td>0.8%</td>
</tr>
<tr>
<td>Technical &amp; harmonisation workshops</td>
<td>R660</td>
<td>0.5%</td>
</tr>
<tr>
<td>Subsistence allowance: R40 for 23 600 days</td>
<td>R944</td>
<td>0.7%</td>
</tr>
<tr>
<td>Corporate communication</td>
<td>R490</td>
<td>0.4%</td>
</tr>
<tr>
<td>Other expenses</td>
<td>R2 391</td>
<td>1.7%</td>
</tr>
<tr>
<td><strong>Budget 2011</strong></td>
<td>R164 380</td>
<td>19.7%</td>
</tr>
</tbody>
</table>
## Major expenditure 2010-11

<table>
<thead>
<tr>
<th></th>
<th>Budget R’000</th>
<th>Weight</th>
<th>Prior year R’000</th>
<th>∆%</th>
<th>Weighted ∆%</th>
</tr>
</thead>
<tbody>
<tr>
<td>People cost</td>
<td>R107 993</td>
<td>66%</td>
<td>R90 715</td>
<td>19%</td>
<td>13.9%</td>
</tr>
<tr>
<td>Activity cost</td>
<td>R29 705</td>
<td>18%</td>
<td>R24 197</td>
<td>23%</td>
<td>3.8%</td>
</tr>
<tr>
<td>Training</td>
<td>R5 264</td>
<td>3%</td>
<td>R4 189</td>
<td>26%</td>
<td>0.8%</td>
</tr>
<tr>
<td>Computer expenses</td>
<td>R4 888</td>
<td>3%</td>
<td>R4 614</td>
<td>6%</td>
<td>0.2%</td>
</tr>
<tr>
<td>Rental &amp; maintenance</td>
<td>R3 986</td>
<td>2%</td>
<td>R3 378</td>
<td>18%</td>
<td>0.4%</td>
</tr>
<tr>
<td>Telephone &amp; stationary</td>
<td>R3 214</td>
<td>2%</td>
<td>R3 159</td>
<td>2%</td>
<td>0%</td>
</tr>
<tr>
<td>Corporate identity</td>
<td>R1 164</td>
<td>1%</td>
<td>R680</td>
<td>71%</td>
<td>1.0%</td>
</tr>
<tr>
<td>Consultant &amp; outsourcing fee</td>
<td>R1 955</td>
<td>1%</td>
<td>R1 290</td>
<td>52%</td>
<td>1.0%</td>
</tr>
<tr>
<td>Other expenditure</td>
<td>R6 211</td>
<td>4%</td>
<td>R5 108</td>
<td>22%</td>
<td>1.0%</td>
</tr>
<tr>
<td><strong>Total expenditure</strong></td>
<td><strong>R164 380</strong></td>
<td><strong>100%</strong></td>
<td><strong>R137 330</strong></td>
<td><strong>19%</strong></td>
<td></td>
</tr>
</tbody>
</table>
## Budget per Division

<table>
<thead>
<tr>
<th>Division</th>
<th>B2011 R million</th>
<th>E2010 R million</th>
<th>Index</th>
<th>B2010 R million</th>
<th>Index</th>
</tr>
</thead>
<tbody>
<tr>
<td>Employment cost</td>
<td>R99.4</td>
<td>R82.3</td>
<td>21%</td>
<td>R84.7</td>
<td>17%</td>
</tr>
<tr>
<td>Statutory operations</td>
<td>R38.0</td>
<td>R31.3</td>
<td>21%</td>
<td>R32.9</td>
<td>16%</td>
</tr>
<tr>
<td>Value Added Services</td>
<td>R7.5</td>
<td>R6.3</td>
<td>18%</td>
<td>R10.1</td>
<td>(27%)</td>
</tr>
<tr>
<td>Governance</td>
<td>R4.0</td>
<td>R3.0</td>
<td>33%</td>
<td>R3.4</td>
<td>18%</td>
</tr>
<tr>
<td>Corporate Services</td>
<td>R15.5</td>
<td>R13.8</td>
<td>12%</td>
<td>R13.8</td>
<td>12%</td>
</tr>
<tr>
<td><strong>Expense Budget 2011</strong></td>
<td><strong>R164.4</strong></td>
<td><strong>R137.3</strong></td>
<td><strong>19%</strong></td>
<td><strong>R144.9</strong></td>
<td><strong>14%</strong></td>
</tr>
</tbody>
</table>
### Employment Cost

<table>
<thead>
<tr>
<th></th>
<th>Employees</th>
<th>R’000</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>February 2010 Payroll</strong></td>
<td>351</td>
<td>R79 170</td>
</tr>
<tr>
<td>Current vacancies</td>
<td>12</td>
<td>R2 741</td>
</tr>
<tr>
<td>New positions</td>
<td>10</td>
<td>R3 342</td>
</tr>
<tr>
<td>Assume vacancy rate of 6%</td>
<td></td>
<td>(R4 855)</td>
</tr>
<tr>
<td>Annual increase 8.6%</td>
<td></td>
<td>R6 247</td>
</tr>
<tr>
<td>Statutory levies and contributions</td>
<td></td>
<td>R2 950</td>
</tr>
<tr>
<td>Promotions</td>
<td></td>
<td>R3 747</td>
</tr>
<tr>
<td><strong>2011 Salary excl. incentive</strong></td>
<td>375</td>
<td>R93 342</td>
</tr>
<tr>
<td>Performance incentive</td>
<td></td>
<td>R6 055</td>
</tr>
<tr>
<td><strong>2011 Salary incl. incentive</strong></td>
<td></td>
<td>R99 397</td>
</tr>
</tbody>
</table>
# Statutory Services

<table>
<thead>
<tr>
<th></th>
<th>B2011 R’000</th>
<th>E2010 R’000</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Management</td>
<td>R1 600</td>
<td>R1 140</td>
<td>40%</td>
</tr>
<tr>
<td>Harmonisation Programme</td>
<td>R2 816</td>
<td>R2 150</td>
<td>31%</td>
</tr>
<tr>
<td>Statutory Operations</td>
<td>R33 593</td>
<td>R27 982</td>
<td>20%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>R38 009</strong></td>
<td><strong>R31 272</strong></td>
<td><strong>21%</strong></td>
</tr>
</tbody>
</table>

**Programme Management △ R460k**
- Programme Manager North
- 2 technical workshops R262k

**Harmonisation △ R666k**
- 25 workshops and 25 trainees per session - R1.3m
- 8 Specialists, of which some were appointed during 2010
- Travelling & accommodation △ R386k (63%)

**Operations △ R5.6m**
- Contract △ R1m (20%) to assist 24 hour container loading
- Subsistence △ R1.5m (36%) mainly due to 20% increase in rates and 12% in hours
- Travel & accommodation △ R1m (13%) mainly due to relief duty on cold chain requirements
- Office accommodation △ R600k (24%) due to new rental agreements
## Value Added Services

<table>
<thead>
<tr>
<th>Service</th>
<th>B2011 R'000</th>
<th>E2010 R'000</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Management</td>
<td>R220</td>
<td>R43</td>
<td>412%</td>
</tr>
<tr>
<td>Certification services</td>
<td>R1 985</td>
<td>R1 910</td>
<td>4%</td>
</tr>
<tr>
<td>Laboratory services</td>
<td>R2 235</td>
<td>R1 746</td>
<td>28%</td>
</tr>
<tr>
<td>R&amp;D Cold Chain</td>
<td>R768</td>
<td>R543</td>
<td>41%</td>
</tr>
<tr>
<td>PPECB Training Academy</td>
<td>R2 256</td>
<td>R2 079</td>
<td>9%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>R7 464</strong></td>
<td><strong>R6 321</strong></td>
<td><strong>18%</strong></td>
</tr>
</tbody>
</table>

### Management Δ (R177k)
- Executive vacant in 2010

### Certifications Δ (R149k)
- Reduced certification activities caused by less audits per cycle period
- Partially counteracted by plan to increase scope e.g. ethical audits

### Laboratory Δ R489k
- Rental of new laboratory facilities & maintenance of technical equipment Δ R112k (11%)
- Outsourcing of sample analysis R450k
- Depreciation due to purchase of HPLC equipment in March 2010 Δ R108k (743%)

### R&D Cold Chain Δ R225k
- Expenses related to CCQI, Fynbos, development of quality measurement technology, pomegranate quality protocols

### PPECB Training Academy Δ R177k
- AETP Training R1.2m
- PPECB Training Academy leverage capabilities within current entity
- Offset by income of R4.8m
# Governance

<table>
<thead>
<tr>
<th>Department</th>
<th>B2011 R'000</th>
<th>E2010 R'000</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>CEO’s Office</td>
<td>R863</td>
<td>R676</td>
<td>28%</td>
</tr>
<tr>
<td>Legal and Secretariat</td>
<td>R2 082</td>
<td>R1 824</td>
<td>14%</td>
</tr>
<tr>
<td>Communications</td>
<td>R1 078</td>
<td>R539</td>
<td>200%</td>
</tr>
<tr>
<td>Total</td>
<td>R4 023</td>
<td>R3 039</td>
<td>32%</td>
</tr>
</tbody>
</table>

**CEO’s Office △ R187k**
- External and internal stakeholder engagement programmes
- Informed by surveys and dialogue sessions

**Legal & Secretariat △ R258k**
- Increased governance and compliance requirements
- Additional board committee meetings
- Management dialogue workshops

**Communications △ R539k**
- Informed by stakeholder surveys
- Raise awareness of PPECB’s roles, responsibilities and commitments
- Implementation of business communication plan
### Corporate Services

<table>
<thead>
<tr>
<th>Category</th>
<th>B2011 R'000</th>
<th>E2010 R'000</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Human Resources</td>
<td>R4 279</td>
<td>R3 663</td>
<td>17%</td>
</tr>
<tr>
<td>Information Technology</td>
<td>R7 250</td>
<td>R6 564</td>
<td>3%</td>
</tr>
<tr>
<td>Finance</td>
<td>R3 755</td>
<td>R3 073</td>
<td>22%</td>
</tr>
<tr>
<td>Business Systems</td>
<td>R675</td>
<td>R545</td>
<td>24%</td>
</tr>
<tr>
<td>Total</td>
<td>R15 488</td>
<td>R13 845</td>
<td>12%</td>
</tr>
</tbody>
</table>

#### Human Resources △ R616k
- Training & Development R2.5m △ R900k (48%) but in line with 2010’s budget
- Wellness Service provider △ R142k
- Staff engagement workshops △ R50 (208%)

#### IS&T △ R215k
- Upgrade of information portal R120K
- EDI project costs R700k
- Enhance remote mobile communication capability

#### Finance △ R682k
- Increased compliance & audit costs △ R230k (41%)
- Development of management information analysis & reporting tool △ R470k

#### Business Systems △ R660k
- Timing difference on ISO License fees △ R200k (349%)
<table>
<thead>
<tr>
<th>Entity</th>
<th>Unit</th>
<th>Levy</th>
<th>Annualised △</th>
</tr>
</thead>
<tbody>
<tr>
<td>PPECB Citrus Inland Inspection</td>
<td>Carton</td>
<td>2001: 25.5c 2011: 38.7c</td>
<td>4.26%</td>
</tr>
<tr>
<td>PPECB Grapes Inland Inspection</td>
<td>5 kg Carton</td>
<td>2001: 22.2c 2011: 40.5c</td>
<td>6.20%</td>
</tr>
<tr>
<td>PPECB Sea Export Conventional</td>
<td>Pallet</td>
<td>2001: R5.45 2009: R9.25</td>
<td>5.43%</td>
</tr>
<tr>
<td>PPECB Sea Export Inland Container Citrus</td>
<td>Pallet equivalence</td>
<td>2001: R194.00 2009: R316.00</td>
<td>5.00%</td>
</tr>
<tr>
<td>PPECB Sea Export Inland Container Avocado</td>
<td>Pallet</td>
<td>2001: R322.00 2009: R316.00</td>
<td>-0.19%</td>
</tr>
<tr>
<td>PPECB Container inspection</td>
<td>Container</td>
<td>2001: R6.60 2009: R11.60</td>
<td>5.80%</td>
</tr>
</tbody>
</table>
SA Statistics Annual inflation

CPI = 6.2%
PPI = 6.6%

### Funding Mechanism

#### Volumes
- Inspection volumes increased 3.8%
  - Citrus 1%
  - Grapes 3%
  - Pome 4%
  - Stone 12%
- Export volumes increase 3.1%
- Financial impact of volume growth
  - Inspection volume growth – R3m
  - Export volume growth - R0.9m
- Certifications decline 9%

#### Funding requirements
- Total funding requirement R166.1m
- Budgeted volumes at current fees & levies R144.4m
- Interest of R5.5 and grant of R4.8m
- Shortfall R11.4m (7%)

<table>
<thead>
<tr>
<th>Service type</th>
<th>2011 Funding need Rm</th>
<th>Funds pre fee ∆ Rm</th>
<th>Funding required Rm</th>
<th>∆ %</th>
</tr>
</thead>
<tbody>
<tr>
<td>APS Services</td>
<td>R104.8</td>
<td>R96.7</td>
<td>R8.1</td>
<td>8%</td>
</tr>
<tr>
<td>PPECB Services</td>
<td>R39.0</td>
<td>R36.5</td>
<td>R2.5</td>
<td>7%</td>
</tr>
<tr>
<td>Value added services</td>
<td>R16.8</td>
<td>R16.0</td>
<td>R0.8</td>
<td>5%</td>
</tr>
<tr>
<td>Interest</td>
<td>R5.5</td>
<td>R5.5</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>R166.1</strong></td>
<td><strong>R154.7</strong></td>
<td><strong>R11.4</strong></td>
<td><strong>7%</strong></td>
</tr>
</tbody>
</table>
Fees and Levies

Statutory services

Additional funds required of R10.6 million

APS Inspection Fees
- Citrus 7.2%
- Grapes 12.8% (Effective 1 October 2010)
- Pome and Stone 6.7% (Effective 1 October 2010)
- All other products 6.7%

APS Food Safety Fees 7%

PPECB Levies
- Sea export levies 6.7%
- Container inspections 6.7%

MAP Statutory myco-toxin analysis 7%

Value Added Services

- Certification services 8%
- MAP non-statutory services 10%
- Training and development
  - Recover fully absorbed cost
  - Grant receivable of R4.9 million

PPECB
your passport to international trade
## CAPEX 2011

<table>
<thead>
<tr>
<th>Capital Items</th>
<th>R’000</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Building</strong></td>
<td></td>
</tr>
<tr>
<td>• Accommodate people with physical disabilities</td>
<td>R400</td>
</tr>
<tr>
<td><strong>Information Technology</strong></td>
<td></td>
</tr>
<tr>
<td>• Server capacity area network</td>
<td>R1 190</td>
</tr>
<tr>
<td>• Computer equipment</td>
<td>R308</td>
</tr>
<tr>
<td><strong>Equipment</strong></td>
<td></td>
</tr>
<tr>
<td>• Technical field equipment</td>
<td>R188</td>
</tr>
<tr>
<td><strong>Furniture</strong></td>
<td></td>
</tr>
<tr>
<td>• Head office</td>
<td>R34</td>
</tr>
<tr>
<td>• Regions</td>
<td>R448</td>
</tr>
<tr>
<td><strong>CAPEX 2011 Total</strong></td>
<td>R2 568</td>
</tr>
</tbody>
</table>
PFMA BUDGET IMPLICATIONS:

✓ PPECB presents a break-even budget
  – All other fees and levies 7.8 – 8.0%
  – Citrus 8.7% - reduced volume and below 3-year minimum

✓ PPECB’s levy increase
  – Increased by 9.6%
  – below CPI (6.09%) and PPI index (7.68%)
  – Aligned with industry organisations with similar levy structures

✓ Increase in expenditure due to:
  – Capacitate PPECB to deliver on legislative mandate
  – PPECB Training Academy
  – Harmonisation programme
  – Under recovery due to decreased volumes on citrus and PPECB services
“FLAGSHIP” PROJECTS FOR 2010

1. International Harmonization Workshop on Commercial Quality Standards for Fresh Fruit and Vegetables for Countries of Africa;

2. Alternative Sampling/Container Methodology Project;

3. Rolling-out Emerging Farmer Capacity Building Partnership with Jo’burg Market;

4. Electronic Data Interchange; and

5. Rolling out the PPECB Training Academy
NEW EMERGING ISSUES

- **Consumer Protection Act . 68 of 2008**
- **Carbon Footprint**
- **“Youth Employment Incentive Scheme”**
- **Industrial Policy Action Plan**
Creating World-Wide Confidence in South African Perishable Export Products