



agriculture,
forestry & fisheries

Department:
Agriculture, Forestry and Fisheries
REPUBLIC OF SOUTH AFRICA



National Agricultural
Marketing Council
Promoting market access for South African agriculture



IMASA
INSTITUUT VAN MARKAGENTE VAN SUID-AFRIKA
INSTITUTE OF MARKET AGENTS OF SOUTH AFRICA



South African Union of
Food Markets

2014

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

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ACRONYMS

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

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

NO.	INDICATORS	PURPOSE	ACTIVITIES	EVIDENCE OF COMPLIANCE (Means of Verification)	TIME FRAME	RESPONSIBILITY AND ACCOUNTABILITY
			Discard non-compliant products.	Cultivar, Date code and Country of Origin.		
1.5	PPECB Act.	Ensure compliance to export regulations in terms of the Act.	Inspection of produce for compliance.	PPECB export certificate.	All times.	PPECB Inspectors. Export Agents. Market Management. Market Agents. Producers.
2	COMMUNICATION/ STAKEHOLDER ENGAGEMENT	<u>Strategic Outcome 2: Proper communication among stakeholders in the NFPMs.</u>				
2.1	Communication/ Stakeholder engagements	To ensure regular communication among market management, producers, agents, council and organised labour in order to set attainable common goals and objectives.	Establishment of the market stakeholder engagement forum. Regular forum meetings and Feedback sessions.	Farmers visit reports. Minutes of Stakeholder engagement forum meetings.	Monthly	Market Management. Market Agents. Producers. Organised labour. Municipal Management.
2.2	Service Level Agreements	To manage relationships between Markets, Market Agents, Producers, service providers and labour.	<ul style="list-style-type: none"> • SLA needs to be developed among the parties. 	SLA between the following: <ul style="list-style-type: none"> • Municipality and Market Managers. • Producers and 	2014-2015	Market Management. Municipality. Market Agents. Labour. Service Providers. Tenants.

NO.	INDICATORS	PURPOSE	ACTIVITIES	EVIDENCE OF COMPLIANCE (Means of Verification)	TIME FRAME	RESPONSIBILITY AND ACCOUNTABILITY
				Market Agents. • Producers and Market Management. • Market Management and Agents. • Market Management and Service providers. • Market management and labour. • Lease agreement with tenants.		Market staff.
2.3	Communicate the APA Act to producers, market agents and market managers.	To create awareness and understanding of the application of the ACT and its regulations.	Undertake awareness campaign on the Act.	Records and minutes of awareness campaign.	All times.	APAC. Producer bodies. Market agents. Market Management.
2.4	Customer covenant by the market.	The value proposition offered by the markets and agents must be concretized to confirm their commitment to their principal clients, the producers and buyers.	Development and adoption of the customer covenant.	Outlay of the value proposition of the respective market authorities. Published document by		Market Management. Market agents. Organised labour.

NO.	INDICATORS	PURPOSE	ACTIVITIES	EVIDENCE OF COMPLIANCE (Means of Verification)	TIME FRAME	RESPONSIBILITY AND ACCOUNTABILITY
				each market authority.		
2.5	Producer and agent: during marketing and off-season					
2.5.1	A daily assessment of the "temperature" of the markets.	The producer must be informed of or understand the following: what is happening with prices, volumes, stock, Sales progress, Prices received, Plan of incoming loads for the issuing days, Quality and grading requirements.	Daily update to producers on market conditions.	Daily assessment reports.	All times.	Market agents. Producers.
2.5.2	Daily producer sales report.	Inform producers daily on produce sold / stock levels.	Development and transmission of daily sales reports.	Sales reports.	All times.	Market agents. Producers.
2.5.3	Feedback from producers on sales report.	To allow a farmer to provide his/her view on sales report from the agent and reflect on past season.	Develop and transmit feedback report to sales person.	Feedback report from farmer. A once off meeting with agents during off-season.	All times.	Producers. Market agents.

NO.	INDICATORS	PURPOSE	ACTIVITIES	EVIDENCE OF COMPLIANCE (Means of Verification)	TIME FRAME	RESPONSIBILITY AND ACCOUNTABILITY
2.5.4	Regular visits to market floors.	Benchmark own quality against other producers. Build relationships with buyers and agents. Increase understanding of the market.	Market visits.	Visits to market floor at least once a season. Comments of the producer in comment book.	At least once per season.	Producers. Market agents.
3	CONSIGNMENT CONTROL	<u>Strategic Outcome 3: Efficient management of stock flows and standardization of quality in the markets.</u>				
3.1	Consignment Control	To ensure correct stock management on the trading floors, establish transparency and undertake trend analysis.	Stock taking by Consignment Control Officers.	Stock audit report.	Daily	Market Management. Market Agents.
3.2	Stock Consignment: Standard Operating Procedures (SOP).	To ensure that correct procedures are followed to deliver the right stock to the market agent from the moment the produce enters the market premises.	Register all stock on the official system at the entrance gate. Implement the SOP on stock consignment.	Delivery note at the entrance gate and gate number on stock.	Daily	Market Management. Market Agents.
3.3	Consignment Inspections.	Inspect fresh produce for quality standards.	Conduct regular inspection on produce quality	Inspection Reports. Analytical results from Lab.		Quality Control Inspectors. Market Agents. Market Managers. Producers.

NO.	INDICATORS	PURPOSE	ACTIVITIES	EVIDENCE OF COMPLIANCE (Means of Verification)	TIME FRAME	RESPONSIBILITY AND ACCOUNTABILITY
			Collect samples for analysis.			Food Control Laboratory.
3.4	Stock Audit Policy: SOP.	To ensure correct stock management on the trading floor.	Regular consignment audit.	Stock audit report.	Daily.	Market Management. Market Agents.
3.5	Late Sales Policy: SOP.	To ensure that correct procedures are followed with late sales.	Regular consignment control and Financial audits.	Consignment control audit.	Daily.	Market Management.
3.6	Condemned Stock: SOP.	To ensure that products unfit for sales and for human consumptions are removed correctly off the sales floors and trading system.	Regular condemned product removal.	Condemned stock removal report.	Daily.	Quality Control Inspectors. Market Management.
3.7	Lost, Stolen and Shortage: SOP.	To ensure that stock shortages are correctly removed from the system.	Regular consignment audits.	Consignments financial audits and IT System reports.	Daily.	Market Management. Market Agents.
3.8	SOP: Removal of products purchased.	To ensure that the stock being removed from the trading floor is duly sold and booked out through the correct documentation and procedures.	Stock booked out through official IT System.	IT System Consignment Control Policy.	Daily.	Market Agents. Market Management.

NO.	INDICATORS	PURPOSE	ACTIVITIES	EVIDENCE OF COMPLIANCE (Means of Verification)	TIME FRAME	RESPONSIBILITY AND ACCOUNTABILITY
3.9	Stock Consignment Policy.	<p>Ensuring that produce dispatched by producer is captured by agent as per consignment.</p> <p>Ensuring that produce consigned to specific agent is received by the relevant agent.</p> <p>Ensuring that produce delivered to markets is assigned to market agents and not to resident wholesalers on markets bypassing the market system.</p>	Implement the provision of the stock consignment policy.	Approved stock consignment policy.	2014 – 15 All times.	Market Management. Market Agents. APAC.
3.9	Stock Audit Policy					
3.9.1	Regular stock audits.	Ensuring that stock appearing on Agent's stock sheets is indeed on the trading floors.	Conducting regular stock reports in line with policy.	Stock audits reports.		Market Management. Market Agents. APAC
3.9.2	Stock removal protocols.	Ensuring that produce removed from the trading floors has been captured through the official sales processing	Implement the stock removal protocol.	Stock removal reports / receipts.	All times.	Market Agents. Market Management. APAC.

NO.	INDICATORS	PURPOSE	ACTIVITIES	EVIDENCE OF COMPLIANCE (Means of Verification)	TIME FRAME	RESPONSIBILITY AND ACCOUNTABILITY
		system.				
3.10	Late Sales and credit policies					
3.10.1	Late Sales Policy.	To ensure that correct procedures are followed with late sales. To ensure late sales are not being misused for extended credit.	Late sales should only be allowed after hours and with physical payment for the produce by the buyer at the time of removal.	Formal system must be in place to verify and effect transactions. This should be reflected on producer's account sale.	All times.	Market Management. APAC. System Operators. Market Agents.
3.10.2	Proxy sales policy.	Managing the process where agents give credit on behalf of the producer	Ensure that the sales are captured through the official sales processing system and is open and transparent.	Formal system must be in place to verify and effect transactions. This should be reflected on producer's account sale.	All times.	APAC. Market Management. System Operators. Market Agents.

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

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

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

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

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

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

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

NO.	INDICATORS	PURPOSE	ACTIVITIES	EVIDENCE OF COMPLIANCE (Means of Verification)	TIME FRAME	RESPONSIBILITY AND ACCOUNTABILITY
			Target is 50% of black people, which half is for black women.			
9.3	Employment Equity	Measures the initiatives intended to achieve equity in the workplace.	<p>Appoint black people across all functional and operational levels of an entity.</p> <p>Target 88% of black people.</p>	Employment Equity Act's EEA2, Salaries, Job specifications.	Annually	Market Management. Market Agents. Producers.
9.4	Socio-Economic Development	Measures the extent to which enterprises carry out initiatives that contribute towards Sector-Economic Development or Sector-Specific initiatives that promote access to the economy for black people.	<p>Contribution benefiting black people in the communities. Initiative should benefits 75% of black people in the entity/ community.</p> <p>Target 1% of Net Profit After Tax should be</p>	Letter of acknowledgement and Proof of initiative rendered.	Annually	Market Management. Market Agents. Producers.

NO.	INDICATORS	PURPOSE	ACTIVITIES	EVIDENCE OF COMPLIANCE (Means of Verification)	TIME FRAME	RESPONSIBILITY AND ACCOUNTABILITY
			contributed to such initiatives.			
9.5	Enterprise Development	Measures the extent to which enterprises carry out initiatives intended to assist and accelerate the development and sustainability of other enterprises.	Invest in initiatives that seek to support/develop small black owned entities. Target 3% of Net Profit After Tax should be spend on Enterprise Development initiatives.	Contracts, MoA etc	Annually	Market Management. Market Agents. Producers.
9.6	Preferential Procurement	Measures the extent to which enterprises buy goods and services from BEE suppliers.	Give preference to black owned entities when procuring goods and services. Target Procure: • 70% from entities with higher BEE Recognition	• Procurement Spent.	Annually	Market Management. Market Agents. Producers.

NO.	INDICATORS	PURPOSE	ACTIVITIES	EVIDENCE OF COMPLIANCE (Means of Verification)	TIME FRAME	RESPONSIBILITY AND ACCOUNTABILITY
			Levels, <ul style="list-style-type: none"> • 15% from QSEs with higher BEE Recognition Levels, • 5% from EMEs with higher BEE Recognition Levels, • 12% from EMEs that are 50% black owned with higher BEE Recognition Levels, • 8% from black owned EMEs and 30% EMEs that are black women owned entities with higher BEE Recognition Levels. 			

NO.	INDICATORS	PURPOSE	ACTIVITIES	EVIDENCE OF COMPLIANCE (Means of Verification)	TIME FRAME	RESPONSIBILITY AND ACCOUNTABILITY
9.7	Skills Development	Measures the extent to which employers carry out initiatives designed to develop the competencies of black employees.	Educate black people with core and critical skills relevant to the entity and industry. Target 85% of leviabile amount /skills budget should be spent on black people.	Formal Qualification accredited (SAQA, NQF and private accreditation bodies).	Annual	Market Management. Market Agents. Producers.
10	HUMAN CAPITAL DEVELOPMENT	<u>Strategic Outcome 10: Efficient business management practices on markets.</u>				
	Human Capital Development	To improve the skills levels and competence of key stakeholders in the Fresh Produce Markets.	Develop and implement skills plan for all key personnel.	Continuous training and skills improvement for key personnel directly involved in sales, Food safety, Quality control, and consignment control and financial management.	Annually.	Market Management. Market Agents. APAC. Producers.

