



agriculture,  
forestry & fisheries

Department:  
Agriculture, Forestry and Fisheries  
REPUBLIC OF SOUTH AFRICA



National Agricultural  
Marketing Council  
Promoting market access for South African agriculture



# Codes of Best Practice (COBP) for National Fresh Produce Markets

as it pertains to market managers, market agents,  
producers, labour 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

## 1. REGULATORY ENVIRONMENT

No.	Indicators	Purpose	Activities	Evidence of compliance (means of verification)	Time frame	Responsibility and accountability
<b>1</b>	<b>Regulatory environment</b>	<b>Strategic Outcome 1: Provide an enabling environment at the National Fresh Produce Markets (NFPMs)</b>				
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 5 years	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. Discard non-compliant products.	Containers marked as follows: Product, Name of producer, Class of produce, Net mass of contents, Cultivar, Date code and Country of Origin	All times	Producers Market Management Quality control officers DAFF
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 Market management Market agents Producers

## 2. COMMUNICATION/STAKEHOLDER ENGAGEMENT

No.	Indicators	Purpose	Activities	Evidence of compliance (means of verification)	Time frame	Responsibility and accountability
2	<b>Communication/ stakeholder engagement</b>	<b>Strategic Outcome 2: Proper communication among stakeholders in the NFPMs</b>				
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	SLA needs to be developed among the parties	SLA between the following:  Municipality and market managers  Producers and market agents  Producers and market management.  Market management and agents.  Market management and service providers  Market management and labour.  Lease agreement with tenant	2014–2015	Market management Municipality Market agents Labour Service providers 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

No.	Indicators	Purpose	Activities	Evidence of compliance (means of verification)	Time frame	Responsibility and accountability
2	<b>Communication/ stakeholder engagement</b>	<b>Strategic Outcome 2: Proper communication among stakeholders in the NFPMs</b>				
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 each market authority		Market Management Market agents Organised labour
2.5	Producer and agent: during marketing and off-season					
2.5.1	A daily assessment of the “temperature” of the markets	The producer must be informed of or understand the following: what is happening with prices, volumes, stock, Sales progress, Prices received, Plan of incoming loads for the issuing days, Quality and grading requirements	Daily update to producers on market conditions	Daily assessment reports	All times	Producers Market agents
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	Producers Market agents
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
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

No.	Indicators	Purpose	Activities	Evidence of compliance (means of verification)	Time frame	Responsibility and accountability
<b>3</b>	<b>Consignment control</b>	<b>Strategic Outcome 3: Efficient management of stock flows and standardisation of quality in the markets</b>				
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 agents Market management
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 agents Market management
3.3	Consignment Inspections	Inspect fresh produce for quality standards	Conduct regular inspection on produce quality  Collect samples for analysis	Inspection reports.  Analytical results from laboratory.	Daily	Quality control inspectors Market agents Market managers Producers Food control laboratory
3.4	Stock Audit Policy: SOP	To ensure correct stock management on the trading floor	Regular consignment audit.	Stock audit report	Daily	Market agents Market management
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

No.	Indicators	Purpose	Activities	Evidence of compliance (means of verification)	Time frame	Responsibility and accountability
<b>3</b>	<b>Consignment control</b>	<b>Strategic Outcome 3: Efficient management of stock flows and standardisation of quality in the markets</b>				
3.7	SOP: Lost, stolen and shortage	To ensure that stock shortages are correctly removed from the system	Regular consignment audits	Consignments financial audits and IT System reports	Daily	Market agents Market management
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
3.9	Stock Consignment Policy	Ensuring that produce dispatched by producer is captured by agent as per consignment Ensuring that produce consigned to specific agent is received by the relevant agent Ensuring that produce delivered to markets is assigned to market agents and not to resident wholesalers on markets bypassing the market system	Implement the provision of the stock consignment policy	Approved stock consignment policy	2014–2015 All times	Market management Market agents APAC
3.10	Stock Audit Policy					
3.10.1	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	All times	Marketmanagement Market agents. APAC
3.10.2	Stock removal protocols	Ensuring that produce removed from the trading floors has been captured through the official sales processing system	Implement the stock removal protocol	Stock removal reports/receipts	All times	Market agents Market management APAC
3.11	Late Sales and credit policies					

No.	Indicators	Purpose	Activities	Evidence of compliance (means of verification)	Time frame	Responsibility and accountability
<b>3</b>	<b>Consignment control</b>	<b>Strategic Outcome 3: Efficient management of stock flows and standardisation of quality in the markets</b>				
3.11.1	Late Sales Policy	To ensure that correct procedures are followed with late sales. To ensure late sales are not being mis-used 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
3.11.2	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
3.11.3	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 and that producers are aware of the rules of these sales and permission is in place	2014–2015 All times	APAC Market Management. System operators Market agents
3.11.4	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	2014–2015 All times	APAC Market management System operators Market agents
3.12	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

No.	Indicators	Purpose	Activities	Evidence of compliance (means of verification)	Time frame	Responsibility and accountability
<b>4</b>	<b>Safety and security</b>	<b>Strategic Outcome 4: To guarantee safety and security to people, stock and money at the markets</b>				
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 areas	Visible security	Daily	Market management
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—2015 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—2015 All times	Market management Buyers Market agents Labour

## 5. HYGIENE, CLEANLINESS AND FOOD SAFETY STANDARDS

No.	Indicators	Purpose	Activities	Evidence of compliance (means of verification)	Time frame	Responsibility and accountability
<b>5</b>	<b>Hygiene, cleanliness and food safety standards</b>	<b>Strategic Outcome 5: Improved hygiene, traceability and food safety environment in the markets</b>				
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
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	2014–2015 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	2014–2015 All times	DAFF Department of Health Market management Market agents Labour
5.5	GAP, hygiene and food safety in the packhouse 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 packhouse and farm	2014–2019 All times	Producers Producer bodies PPECB DAFF

## 6. INFRASTRUCTURE: MAINTENANCE, CAPEX (CAPITAL EXPENDITURE) AND OPEX (OPERATIONAL EXPENDITURE)

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)	<b>Strategic Outcome 6: World class market infrastructure</b>				
6.1	Address infrastructure challenges	To ensure that repairs are attended to timeously	Infrastructure assessment and budgeting	Maintenance plan and budget	Annually	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	Annually	Market management Municipality Market agents Labour

## 7. INFORMATION MANAGEMENT

No.	Indicators	Purpose	Activities	Evidence of compliance (means of verification)	Time frame	Responsibility and accountability
7	information management	<b>Strategic Outcome 7: Efficient and effective information, trading and business continuity management systems</b>				
7.1	Information management	To ensure that updated versions of efficient ICT system/software is used on markets	Maintain efficient information management system	Updated ICT software / system	All times	Market management Market agents Service providers
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	2014–2015 All times	Market management Market agents Service providers

## 8. RISK AND FINANCIAL MANAGEMENT

No.	Indicators	Purpose	Activities	Evidence of compliance (means of verification)	Time frame	Responsibility and accountability
<b>8</b>	<b>Risk and financial management</b>	<b>Strategic Outcome 8: Mitigate risks and ensure efficient management of finance in Fresh Produce Markets (FPMs)</b>				
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.	2014–2015 All times	Local Government/Municipality Market management
8.3	Insurance on markets	Markets should have insurance on their cold rooms and ripening facilities for which they earn income	Markets are to insure their facilities to minimize risk	Insurance policy	2015	Local Government Market management

## 9. TRANSFORMATION

No.	Indicators	Purpose	Activities	Evidence of compliance (means of verification)	Time frame	Responsibility and accountability
<b>9</b>	<b>Transformation</b>	<b>Strategic Outcome 9: Advanced transformation in the Fresh Produce Markets</b>				
9.1	Equity ownership	Measures the effective ownership of enterprises by black people	Make ordinary shares available to black workers, previously disadvantaged Individuals and majority black owned entities in the agricultural sector Target is 25% + 1 of shares with voting rights and economic interest	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 Eexecutive positions of the entities Target is 50% of black people, which half is for black women	Employment Equity Acts EEA2, salaries, meetings resolutions and attendance registers	Annually	Market management Market agents Producers
9.3	Employment equity	Measures the initiatives intended to achieve equity in the workplace	Appoint black people across all functional and operational levels of an entity Target 88% of black people	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	Contribution benefiting black people in the communities. Initiative should benefits 75% of black people in the entity/ community Target 1% of Net Profit After Tax should be contributed to such initiatives	Letter of acknowledgment 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
9	Transformation	<b>Strategic Outcome 9: Advanced transformation in the Fresh Produce Markets</b>				
9.5	Enterprise development	Measure 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 levels 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 30% EMEs that are black women owned entities with higher BEE recognition levels	Procurement spent	Annually	Market management Market agents Producers

No.	Indicators	Purpose	Activities	Evidence of compliance (means of verification)	Time frame	Responsibility and accountability
<b>9</b>	<b>Transformation</b>	<b>Strategic Outcome 9: Advanced transformation in the Fresh Produce Markets</b>				
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 leviabale amount /skills budget to be spent on black people	Formal Qualification accredited (SAQA, NQF and private accreditation bodies)	Annually	Market management Market agents Producers

## 10. HUMAN CAPITAL DEVELOPMENT

No.	Indicators	Purpose	Activities	Evidence of compliance (means of verification)	Time frame	Responsibility and accountability
<b>10</b>	<b>Human capital development</b>	<b>Strategic Outcome 10: Efficient business management practices on markets</b>				
10.1	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 personee	Continuous training and skills improvement for all personnel directly involved in sales, food safety, quality control, and consignment control and financial management	Annually	Market management Market agents APAC Producers

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