



PROKON

Business Review

2022/2023





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2022/2023



agriculture, land reform & rural development

Department:
Agriculture, Land Reform and Rural Development
REPUBLIC OF SOUTH AFRICA

Official assignee of the Department of Agriculture, Land Reform and Rural Development

Product Control for Agriculture (Prokon) as the officially appointed assignee of the Department of Agriculture, Land Reform and Rural Development has been rendering a comprehensive inspection service on potatoes since 1994 and since 2017 on all other regulated locally produced and imported fresh fruits and vegetables. These inspections are carried out in accordance with the Agricultural Products Standards Act, No. 119 of 1990 and the relevant regulations.



SANAS accreditation for the inspection of fresh produce

Prokon has received the internationally recognised ISO/IEC 17020:2012 accreditation from SANAS for the inspection of fresh produce at fresh produce markets, retail and imports in South Africa. Prokon is still the only South African company that is internationally accredited by SANAS to conduct inspections on fresh produce.



Affiliated membership of the Produce Marketing Association (PMA)



INSPECTIONS
conducted 2022/2023



HIGHLIGHTS for
2022/2023



TRAINING provided
2022/2023

PROKON
Business Review
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PROKON

Business Review 2022/2023

01

Vision



To deliver a comprehensive, cost effective and professional quality assurance and advisory service to the fresh produce industry and consumers which would advance the image of the said industry.

03

Values



To create a level business playing field for the fresh produce industry based on product quality.



- 01 Vision
- 02 Mission
- 03 Values
- 04 Goals



To enforce standards and exercise control over the quality of agricultural produce offered for sale and to assist in promoting local and foreign marketing of South African produce with the emphasis on quality.



Mission

02

To ensure that the service rendered is professional and impartial, based on integrity and professional conduct.



Goals

04



Comments by the Chairman

Rudi Heinlein



The global fresh produce sector

Although the impact of Covid-19 on international trading abated to a large extent, the global agricultural sector continued to face serious challenges that adversely affected production. Examples thereof are the regular and significant rise in fertilizer and fuel prices as well as other input costs, energy supply disruptions, changing and adverse climatic conditions, trade bans and restrictions, and the consequences of the Russian / Ukrainian war. The aforementioned challenges affected a number of fresh products with the emphasis on primary crops, e.g., potatoes, onions, and tomatoes, as well as fresh and processed fruits.

As far as the local fresh produce industry was concerned the main challenges negatively affecting production and marketing were the exorbitant cost of electricity, fuel and fertilisers, load-shedding, harbour congestion, European Union requirements applicable to citrus exports, changing weather patterns, and insect outbreaks.

Quality assurance

Clarifruit had indicated that for the fresh produce industry to survive and thrive, it would need to keep optimizing their fresh produce quality assurance processes, using the latest technology which has become the anchor of a truly modern, resilient fresh produce supply chain. This will be a prerequisite to bolster fruit and vegetable quality assurance in order to meet consumer demands and sustainability imperatives.

The aforementioned, that are increasingly becoming common on farms, are essential tools in the arsenal of fresh produce quality inspectors and quality managers. It removes the guesswork from grading fresh produce which enables unprecedented precision and consistency. It also allows for the analysis of vast amounts of data from images of such produce, enabling quick and accurate assessments of external and internal attributes.

It is a well-known fact that consumers are becoming increasingly conscious of the environmental impact of their food choices that converts into their demands for foods that place less demands on the environment and are traceable and safe, as well as representing quality. In this regard it is also imperative that cognisance be taken of official regulations that place a significant demand impact of food safety and quality.

In order to keep abreast of the developments in the quality assurance milieu the continuous training of quality assurance personnel would be a necessity. This will empower them to understand the latest technologies, keep track of regulatory changes, and developing skills in data analysis and sustainable agricultural practices.

Impact of climate change on the agricultural industry

In South Africa the agricultural industry is crucial in view of its contribution to food security, job creation, and economic growth. It is also seen as a key driver of the economy in view of its more than 10% contribution to South Africa's total export earnings.

The impact of climate change globally, and in particular on the South African agricultural industry, is becoming increasingly alarming, as it has led to reduced crop yields and livestock production and increased vulnerability to pests and diseases. In addition, the consequential far-reaching implications such as threatened food security, sustainable development, and human livelihoods cannot be ignored.

However, as climate change is here to stay, farmers and all other professionals associated with agriculture are faced with new challenges that stems from changes in weather patterns that negatively affects productivity in the sector. One of the most noticeable effects of climate change on agriculture is the changes in temperature and precipitation patterns. As far as productivity is concerned the extreme weather conditions has a direct impact on crop yields as the changing climate affects the availability of water, soil nutrients, and the timing of planting and harvesting seasons.

To mitigate the effects of climate change on agriculture, it has been said that producers could adopt various strategies to increase their abilities to cope with changing weather patterns, e.g., opting to plant climate-resilient crops. However, in the fresh produce sector this is highly unlikely. It was also said that producers can implement water and soil conservation techniques, such as drip irrigation, mulching, and cover cropping. These techniques help to conserve water, prevent soil erosion, and improve soil fertility, thereby increasing the productivity of crops. In addition, producers can utilise precision farming, e.g. such as satellite imagery and weather forecasting tools, to optimise crop management practices and improve productivity.

Exportation of South African goods

There has been a growing global demand for South Africa's fresh produce, especially vegetables, to countries in Africa and European Union countries with the aforementioned the leading destinations. In 2022, South Africa exported vegetables to Africa (64%), the EU (22%), Asia, and the Middle East (10%). In respect of 2021, the EU accounted for 34% of orange exports, with the Middle East accounting for 18%. Africa (29%) remained the primary market for apples, followed by the Far East and Asia (28%). South Africa's export market performed well in 2021/2022.

According to Chris Hattingh of the Centre for Risk Analysis, South Africa's export figures are badly affected by the poor performance of our international ports and the decline in the reliability and availability of rial freight. He indicated that according to the Minerals Council of South Africa the lost in exports amounted to roughly R150 billion in 2022. He further added that inefficient ports act as a form of Non-Tariff Trade Barrier. Laborious processes and unnecessary delays increase the costs for importers and exporters and other businesses across industries and value chains. With consumer price inflation at its current

level, all avenues of lowering businesses' costs and burdens should be pursued. South African businesses and consumers would benefit immeasurably from a more capable and trade-friendly trade infrastructure space.

Competition Commission market inquiry

During the year under review the Competition Commission SA launched a fresh produce market inquiry to examine whether any features in the fresh produce value chain impede, restrict, or distort competition in the relevant market with the main aim to identify features that could inhibit or distort competition in the said chain. The Commission furthermore indicated that based on the outcome of the enquiry it will provide recommendations to foster competition and ensure equitable and meaningful participation in the value chain for the benefit of all stakeholders as well as consumers.

At the launch of the inquiry Commissioner Doris Tshepe remarked that the food and agro-processing sector has been a priority for the Commission due to its significant contribution to the economy on a broader scale and its potential to serve a driver of inclusive growth in the South African economy.

In view of the pivotal role Prokon plays through inspections on the fresh produce markets, it had been approached by the Commission to also participate in the inquiry by completing the relevant questionnaire.

Fresh produce markets

The national fresh produce markets (NFPMs) still play a pivotal role in ensuring accessibility to affordable high-quality fresh produce as an integral part of ensuring the food security for the nation. However, their importance as preferred platform is unfortunately decreasing because of a lack of sufficient funding by municipalities, and that notwithstanding the income generated by the markets. This primarily led to a lack of structural upkeep concomitant with a deteriorating market floor making trading conditions unacceptable in terms of hygiene and health requirements. It is further aggravated by insufficient security to safeguard farmers and their consignments, buyers, and market agents alike. A perfect example of the deteriorating conditions is the breakdown of cooling facilities at some markets that led to fresh produce having to be discarded as it was no longer fit for human consumption.

However, in comparison private markets are thriving because they are properly funded, and their infrastructure is well maintained. It is a known fact that feasibility studies are underfoot for the establishment of more private markets to rekindle the importance of the fresh produce markets as the ideal platform for farmers to sell their fresh produce and for buyers to purchase the full complement of fresh produce at a well-maintained and safe single trading platform.

Conclusion

I shall refrain from commenting on the performance of Prokon as it will be extensively cover by the chief executive officer in his message, suffice to say that we experienced a good year with the return to normality after Covid-19, and that notwithstanding the unwillingness of some fresh produce producers, industries and representative bodies still refusing to pay the inspection fee and the pending court case.

I wish to thank my co-directors and the Prokon personnel for their dedication to make Prokon the great company it has become and the pivotal role it plays in the quality assurance environment.



Comments by Chief Executive Officer Etienne Booyens



The 2022/23 year under review brought significant normality in respect of Prokon's activities; a far cry from the disruptions caused by Covid-19 in the preceding period from 2019 to 2022. This specifically applied to the company's responsibilities in so far as conducting inspections on locally and imported fresh fruits and vegetables at all designated inspection points were concerned.

Service delivery

Inspections on regulated fresh produce for local consumption

As indicated in the past Prokon is committed to expand its footprint in the fresh produce sector in order to facilitate service delivery with the emphasis on inspecting fresh produce at suitably positioned inspection points. Evidence of this is the opening of two new offices, i.e., in Polokwane and at Komatipoort. The opening of the office at Komatipoort is of special significance because of the large number of mainly banana consignments passing through the border post between Mozambique and South Africa. Mechanisms have also been put in place to ensure that consignments that do not come through the aforementioned border post are inspected at designated inland inspection points. Naturally this service expansion had a positive impact on the income derived from rendering the inspection services.

Fresh produce imported into the country via seaports are inspected at the warehouses of the importers. During the year under review the 4 568 inspections on imported fresh produce were conducted on fresh produce entering South Africa through inland and seaports of entry which reflected a significant increase in the number of inspections conducted compared to the previous

the preceding year. The professional relationship established between Prokon and the Fresh Produce Importers Association warrants special mention as it has led to Prokon being kept informed of all associated importers and thus in a position to inspect basically all fresh produce imported.

As far as inspections on locally produce fresh produce are concerned 218 542 inspections representing 952 351 tons of fresh vegetables and 42 952 inspections representing 133 123 tons of fresh fruits were conducted on fresh produce markets.

As a result of the breakdown in the cooling facilities on some markets Prokon was contracted to determine the extent of the damage to fresh produce on behalf of market agencies for collateral damage and claiming purposes. In view of the important role fresh produce markets still play in the marketing chain, the deterioration of the infrastructure and related services is alarming and does not bode well for the importance of these markets in the said chain.

The delivery of inspection services to the retail trade with special reference to inspections conducted at distribution centres went well. The fact that contracts have been signed with most retail groups and producer institutions went a long way to facilitate service rendering and payment for the inspection service rendered. During the year under review Prokon manage to increase the number of groups, businesses and institutions with which contracts have been signed. During the year under review 38 567 inspections representing 60 083 tons of fresh vegetables and 15 319 inspections representing 18 390 tons of fresh fruits were conducted.

Sampling service on fresh produce destined for export

During the year under review Prokon was again contracted by foreign companies to render sampling services on locally produce fresh fruits destined for the export market. The aforementioned is a clear indication that Prokon is recognised abroad as a reputable service provider in the fresh produce milieu.

Business relations

Prokon management experienced significant success in its efforts to establish new and maintain existing relationships with stakeholders, e.g., retail groups, industry representative associations, and primary agricultural institutions in the local fresh produce sector. A memorandum of understanding was also signed with the Namibian Agronomic Board for rendering specialised services to them on a regular basis.

Prokon also entertained delegations of the Namibian Agronomic Board and the Zambian High Commission with visits to the Tshwane fresh produce market.

As Prokon recognises the need for continuous fostering of liaison with stakeholders, it has appointed a liaison officer especially for this purpose. Based on feedback received it was the correct decision with special reference to the importance of a direct link being established between stakeholders and Prokon management for reporting purposes as well as to address critical issues prior to it impacting negatively on the industry as a whole.

Inspection service agreements

Prokon was successful in resigning agreements with retail groups and industry representative bodies for the continuation and expansion of inspections services. It is also worth mentioning that we have managed to sign agreements with a number of new clients to also render an inspection service to them. The aforementioned is further testimony of the recognition of Prokon's role as a renderer of a professional inspection service.



Provision of specialist training

Two highly successful fresh produce-related training sessions were arranged by Prokon in Cape Town on 20 to 24 February 2023 and in Pretoria on 27 February to 3 March 2023. The main aim with the sessions, which was presented by KCB – Holland, was to ensure that Prokon's inspectors were kept abreast of developments in respect of inspections in the fresh produce environment as well as enhance their inspection skills and thus also promote Prokon's position as a key role player in the said environment.

In response to an invitation to fresh produce retail trade stakeholders to participate in the sessions, quite a number of them participated in the sessions. Their participation not only provided them with insight into the activities of Prokon inspectors, but also offered Prokon personnel the ideal opportunity to build and maintain amicable relationships with these stakeholders.

During the year under review specialised training was also provided to the retail industry, i.e., Shoprite/ Checkers, farmers, and farmer associations, i.e., small-scale farmers in KwaZulu-Natal and the commercial farmers in the Sandveld.

SANAS audit

Prokon passed its second SANAS audit which was conducted on 13 October 2022. This means that the company retained its ISO/IEC 17020 international accreditation in respect of fresh produce. It is worthwhile mentioning that Prokon is still the only South African company with the relevant accreditation.

Prokon's financial position

Prokon experienced a good financial year. Based on the outcome of the external audit conducted by Fourie + Botha, our external auditors, the company's financial position is sound, and the necessary controls are in place. Testimony to this is the fact that Prokon has received an unqualified audit report in respect of the 2022/23 financial year.

As far as the collection of the newly promulgated inspection fees was concerned, we have experienced a significant increase in the fees collected compared to the fees collected in terms of the originally promulgated fees. The increase in the number of inspections on imported produce also had a profound impact on the monies collected for the service.

Conclusion

During the 2022/2023 financial year I received tremendous support from the members of the Prokon Board, and in particular the chairman, Rudi Heinlein, and the chairman of the Risk and Audit Committee, Stanley de Lange. I wish to thank you all for your sound advice and support to ensure the professional functioning of the company and its growth as a preferred quality assurance provider. I also wish to thank the personnel of Prokon for getting the company back on track in terms of service delivery.

THE COMPANY

Product Control for Agriculture (Prokon) is a registered non-profit company under the Companies Act, No. 71 of 2008. The company's business activities are primarily aimed at ensuring that fresh produce that reach the South African consumers comply with official quality and health standards. To attain this, it renders a quality assurance service at key inspection points that serve as direct and indirect links between the supplier and the buyer, i.e., fresh produce markets, distribution centres and thus retail outlets, as well as inland and seaports of entry.

In terms of its appointment as an official assignee of the Department of Agriculture, Land Reform and Rural Development, Prokon has been rendering a comprehensive inspection service on potatoes since 1994 and since 2017 on all other regulated locally produced and imported fresh fruits and vegetables. These inspections are carried out in accordance with the Agricultural Products Standards Act, No. 119 of 1990 and the relevant regulations. It is furthermore important to note that since 2012 Prokon has been conducting unofficial inspections under contract for various fresh produce industries and retail groups.

On 13 April 2021 Prokon received the internationally recognised ISO/IEC 17020 accreditation from the South African National Accreditation System (SANAS) for the inspection of fresh produce in South Africa at fresh produce markets, in retail outlets and ports of entry. Following the compliance assessment of Prokon by SANAS on 23 October 2022 it successfully passed the requirements and was granted accreditation for a further year. Prokon is still the only South African company that is internationally accredited to conduct inspections on fresh produce.

STRUCTURES AND ADMINISTRATION

Board of directors

The Prokon board of directors is representative of relevant sectors in the fresh produce industry to ensure that all matters that impact on service delivery to the industry, are addressed.

During the year under review the following persons served on the Prokon board of directors:



Rudi Heinlein
Chairman



Stanley de Lange
Vice-chairman



Human du Preez



Jason Moonsamy



Dr Sifiso Ntombela

Personnel

As on 30 June 2023 Prokon had 87 personnel members in its employ. Seven were based at head office in Pretoria and 80 at its 17 strategically positioned offices across South Africa to ensure a wide as possible quality assurance footprint. The latter offices are primarily manned by the company's 42 suitably qualified and trained inspectors and 38 assistants.

The company also accommodated four interns during the relevant year as part of its contribution to school young persons for employment in the fresh produce industry.

PROKON organogram

Directorate and management

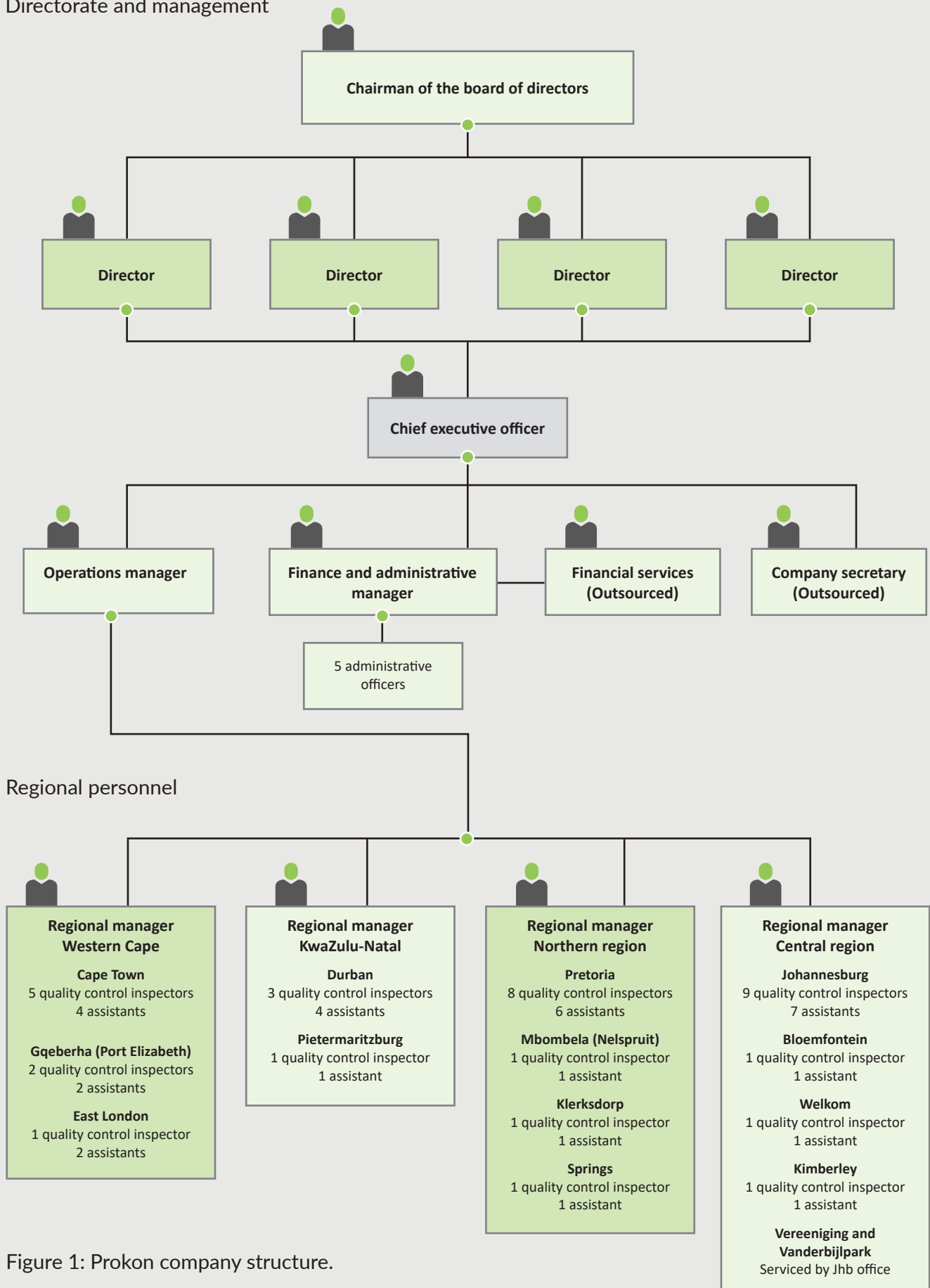


Figure 1: Prokon company structure.

PROKON OFFICES



Northern Cape

- 17. Sol Plaatje office, Kimberley
- 18. Barkly West office, Barkly West

North West

- 16. Matlosane office, Klerksdorp

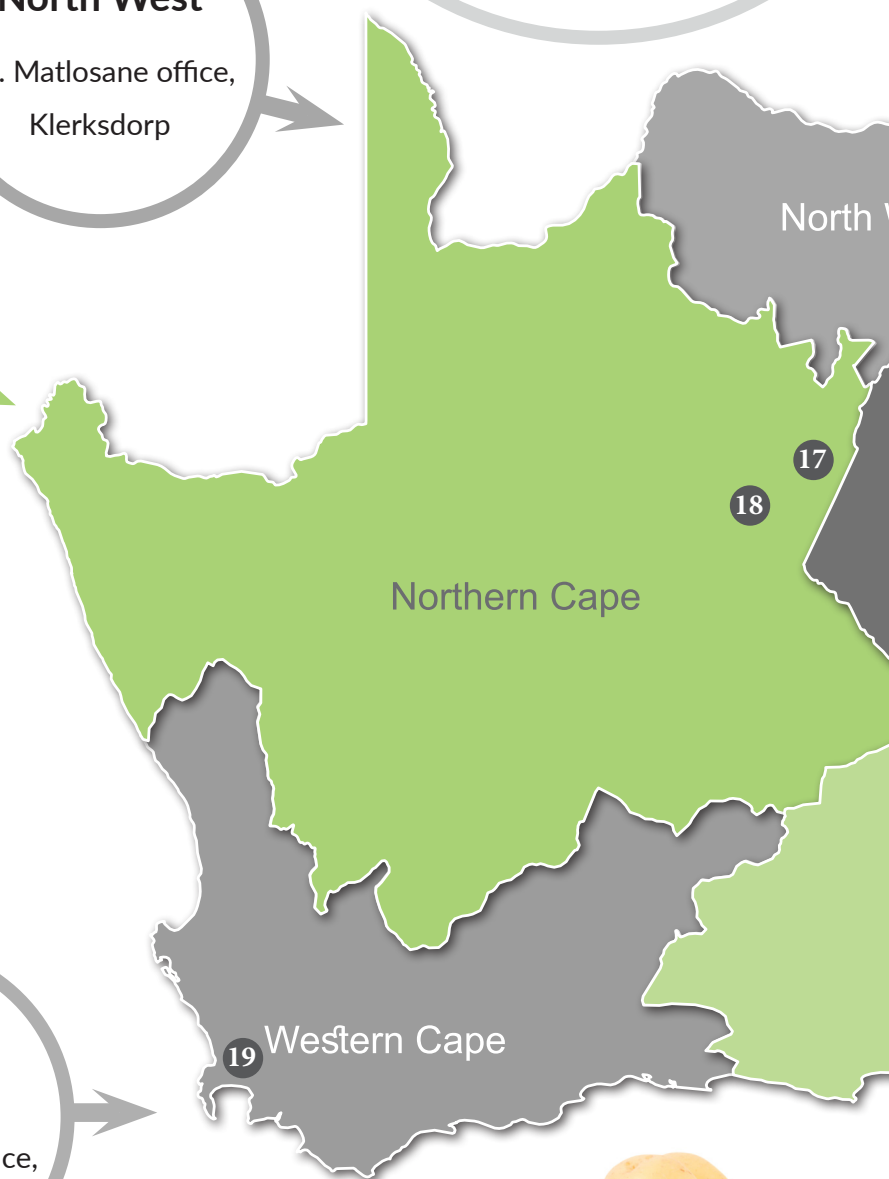
Gauteng

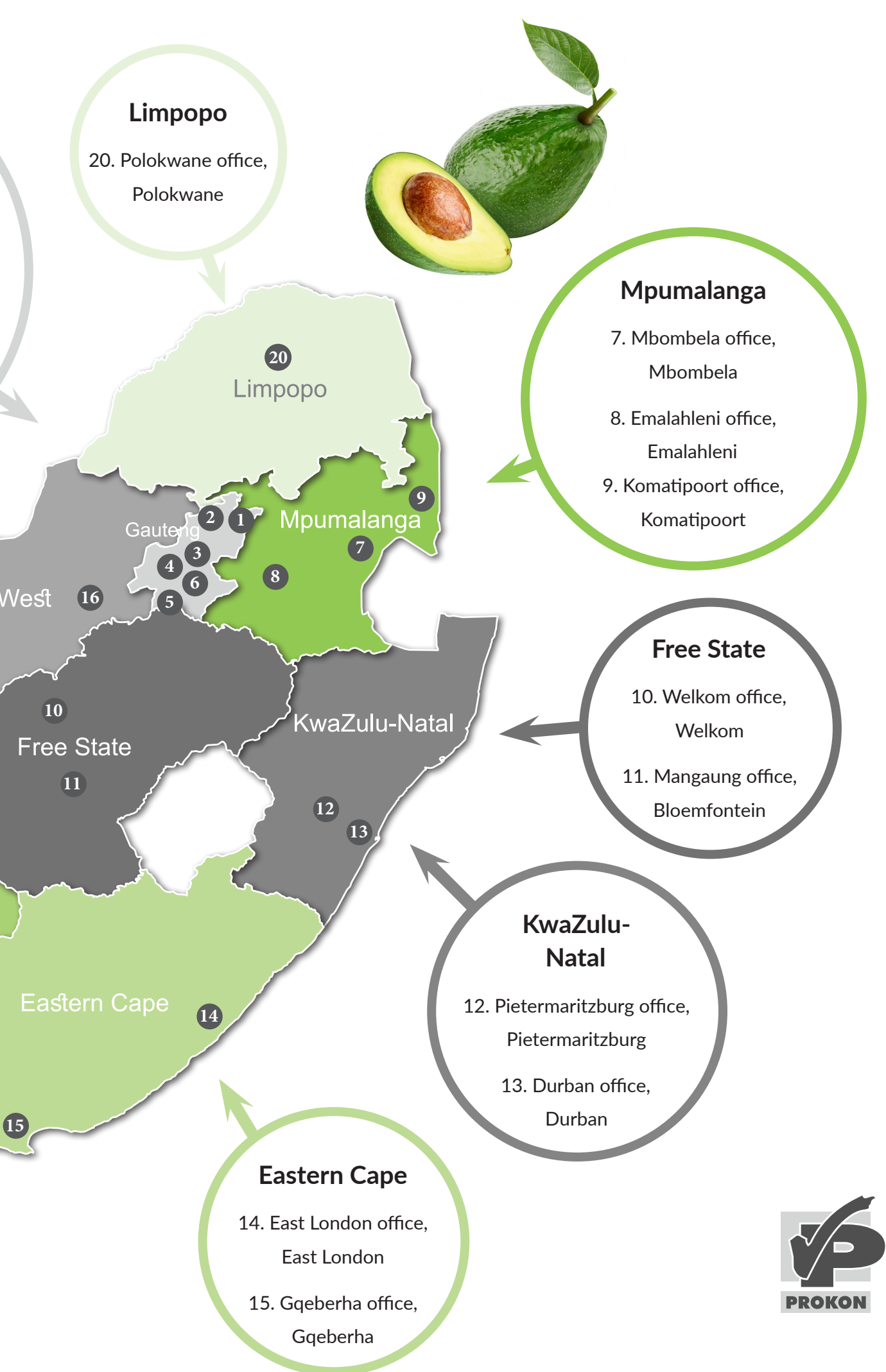
- 1. The Hillside office, Pretoria
- 2. Tshwane office, Pretoria
- 3. Johannesburg office, Johannesburg
- 4. OR Tambo International Airport office, Kempton Park
- 5. Vanderbijlpark office, Vanderbijlpark
- 6. Springs office, Springs



Western Cape

- 19. Cape Town office, Cape Town



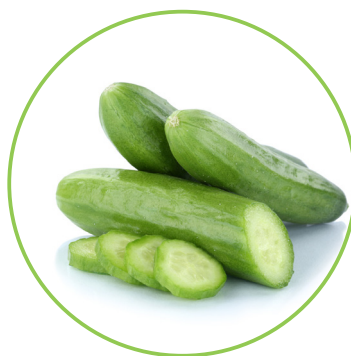


FEE STRUCTURE



Prokon's primary source of income is the inspection fee charged in respect of the inspections conducted on potatoes as well as on all other regulated locally produced and imported fresh fruits and vegetables destined for sale in the Republic of South Africa. It operates on a cost recovery basis and the determination of the fees is based on objectivity, fairness, reasonableness, and equity and have been benchmarked with other inspection agencies, rendering similar services.

The inspection fees are available *on the Prokon website www.prokonsa.co.za.*



STATUTORY INSPECTIONS AND OTHER SERVICES

The statutory inspections and other services rendered by Prokon encompass the following:

Our services



Quality assurance inspections on fresh produce

Advisory service and market analyses

Stock audits

Food safety – DNA and MLR sampling and testing

Training on quality control and food safety

Electronic inspection system Small scale farmer and internship training programs

Providing inspection related statistics and information per fresh produce sector

INSPECTION PROCESS



Prokon is to conduct quality assurance inspections on potatoes and all other regulated locally produced fresh fruits and vegetables intended for sale in the Republic of South Africa in accordance with the relevant product regulations and the company's SANAS ISO 17020 accreditation with the emphasis on compliance with the company's:

- Mandate given by the Department of Agriculture, Land Reform and Rural Development to ensure consumer protection and instil consumer confidence in respect of regulated fresh produce.
- Standard operating procedures (SOPs) and quality management system (QMS) in terms of its SANAS accreditation.



During inspections the inspectors, for example, check for the following based on the regulation applicable to the specific product.

What inspectors check for



Marking requirement conformity

Supplier details, correct and misleading product information as well as traceability.

External quality

Colour, shape, cosmetic, defects and chemical residues.

Internal quality

Condition, colour, defects and maturity.

Size

Weight, diameter and length.

Ripeness and firmness

Brix (total soluble sugar), pressure and moisture content.

INSPECTIONS ON ALL REGULATED LOCALLY PRODUCED AND IMPORTED FRESH FRUITS AND VEGETABLES

- 01

The regulations pertaining to the statutory inspections on all regulated locally produced and imported fruits and vegetables for sale in South Africa (excluding potatoes) were published under Government Notice 1 in Government Gazette No. 40537 dated 6 January 2017, and are revised when necessary.
- 02

The categories and inspection fees were published under Notice 877 of 2022 in Government Gazette 46203 of 11 March 2022 came into effect seven days after publication.
- 03

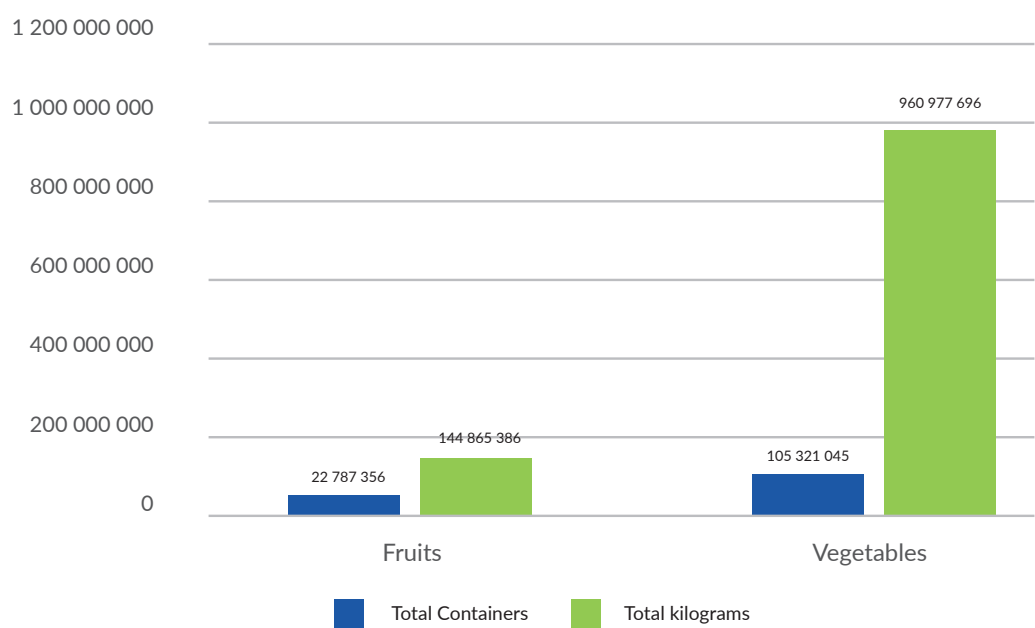
During the year under review the regulated locally produced fresh produce consignments were inspected at fresh produce markets, distribution centres, wholesalers, and retailers. In respect of regulated imported produce were inspected at ports of entry and designated inland facilities.

The inspections fees are revised annually.

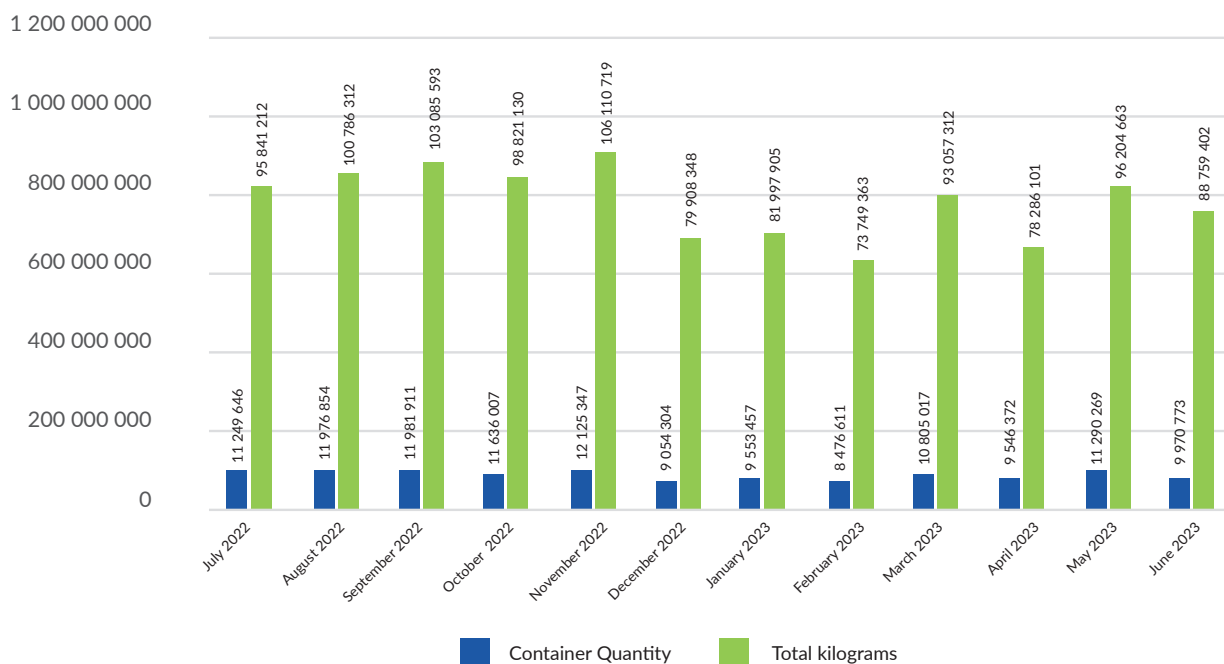


Details of the inspections conducted on regulated locally produced and imported fruits and vegetables during the year 2022/2023

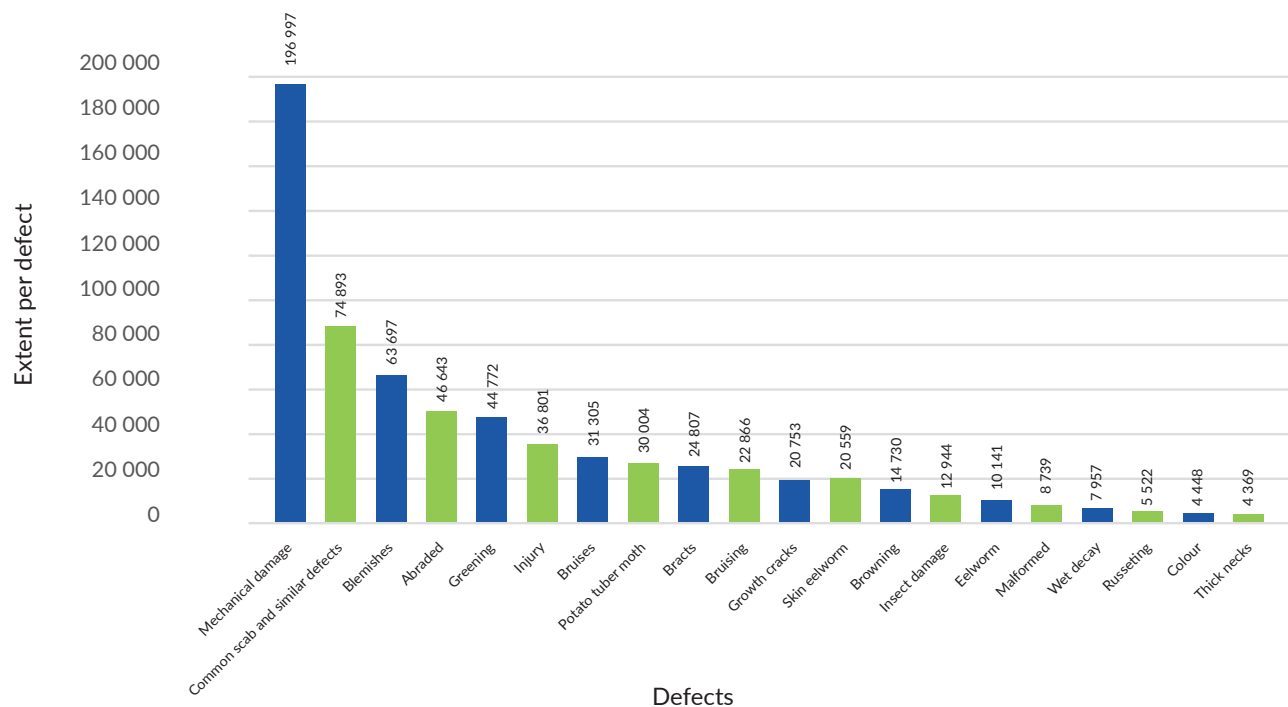
Locally produced products (Markets)



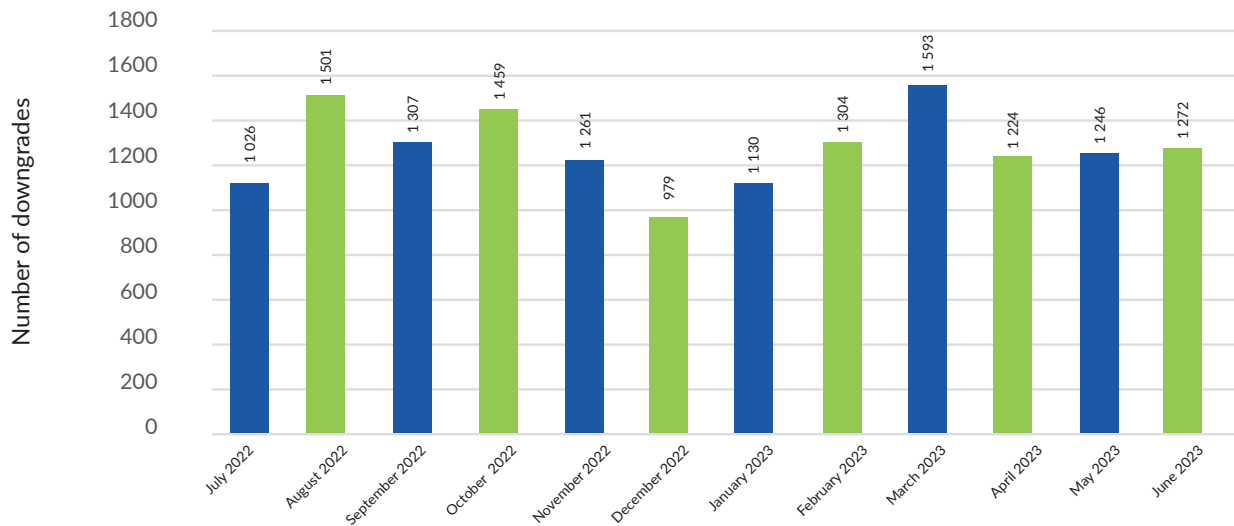
Regulated locally produced fresh fruits and vegetables inspected on fresh produce markets for the period 1 July 2022 to 30 June 2023



Regulated locally produced fresh fruits and vegetables inspected on fresh produce markets per month for the period 1 July 2022 to 30 June 2023

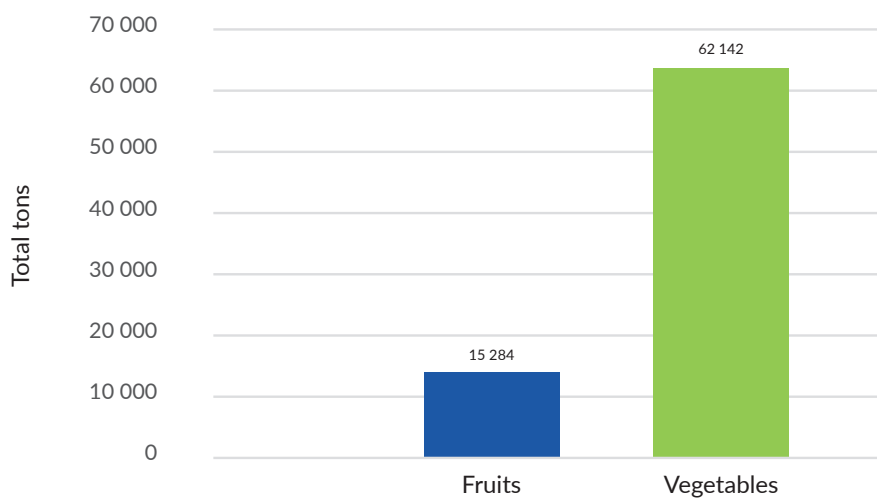


Top 20 defects affecting consignments of regulated locally produced fresh fruits and vegetables inspected on fresh produce markets for the period 1 July 2022 to 30 June 2023

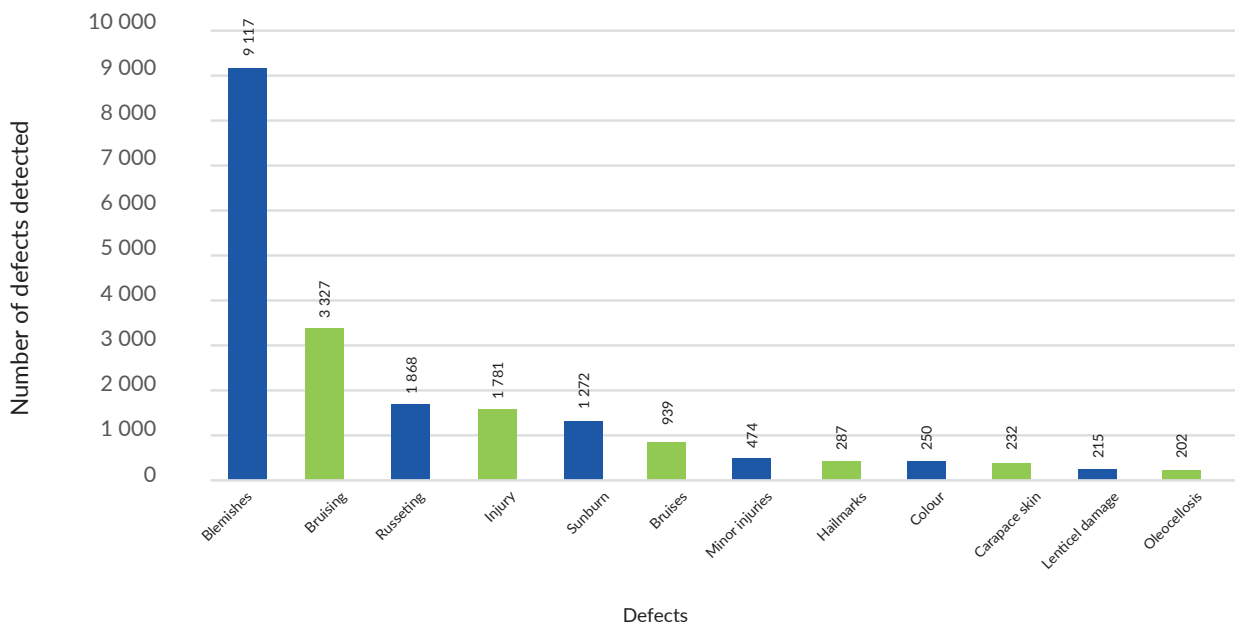


Total downgrades of regulated locally produced fresh fruits and vegetables on fresh produce markets per month for the period 1 July 2022 to 30 June 2023

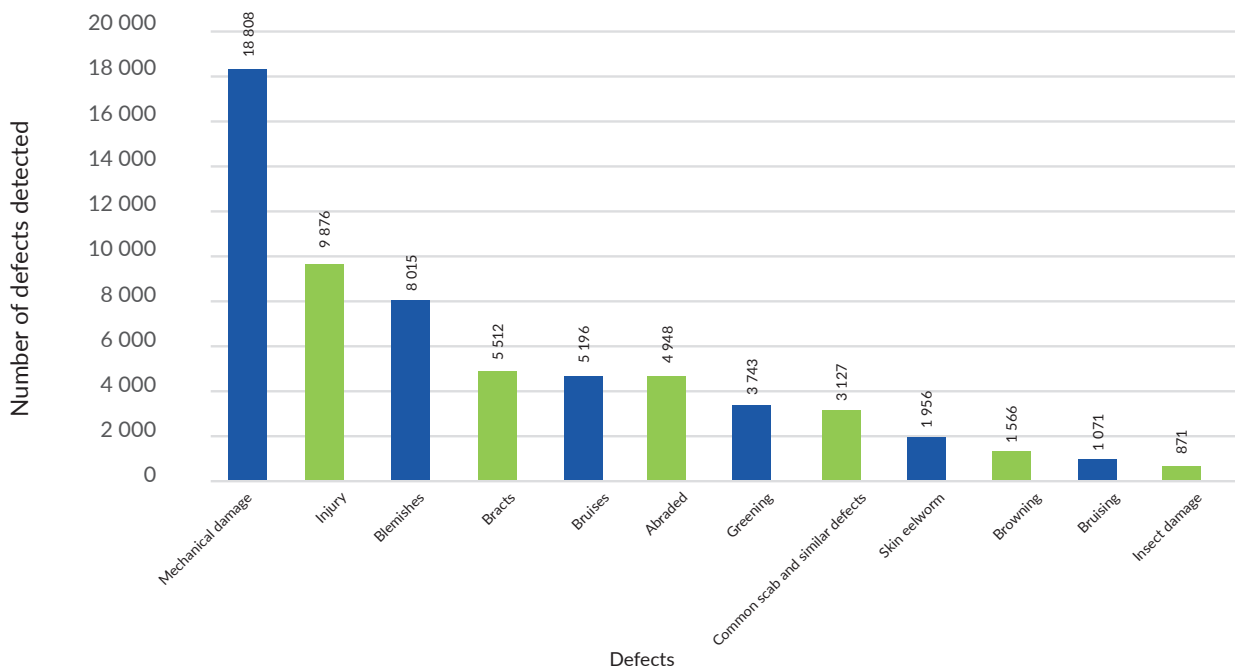
Locally produced products (Retail trade)



Regulated locally produced fresh fruits and vegetables inspected in the retail trade for the period 1 July 2022 to 30 June 2023

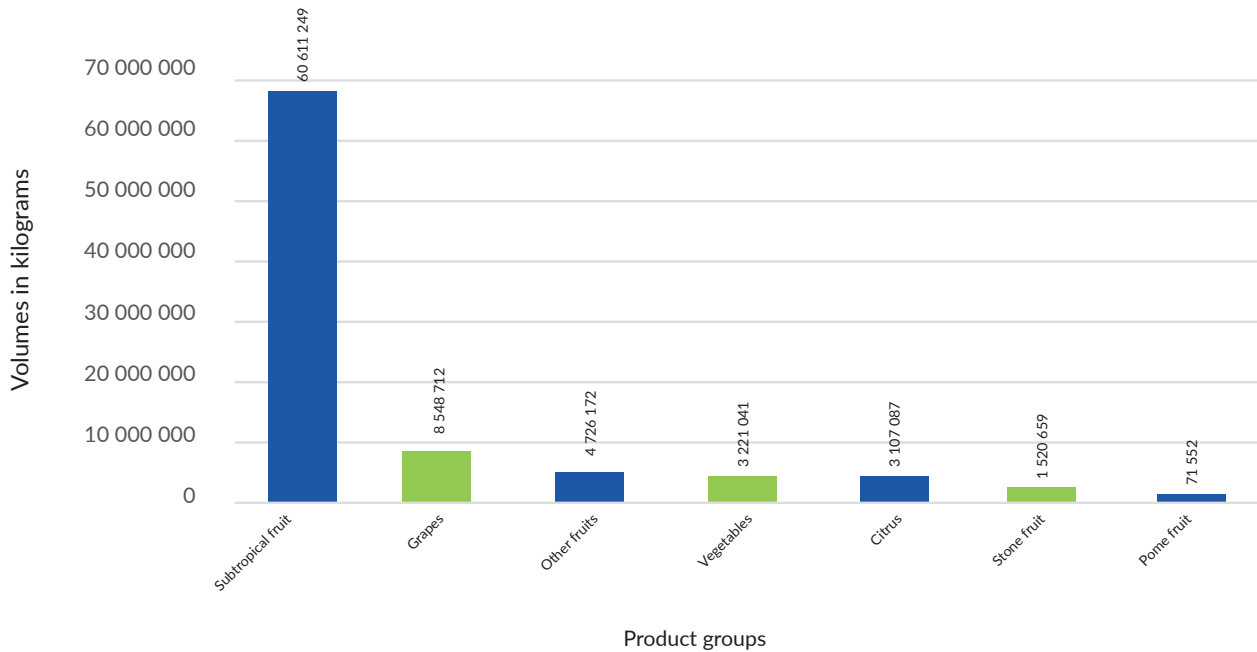


Top 12 defects detected on regulated locally produced fresh fruits in the retail trade for the period 1 July 2022 to 30 June 2023



Top 12 defects detected on regulated locally produced fresh vegetables in the retail trade for the period 1 July 2022 to 30 June 2023

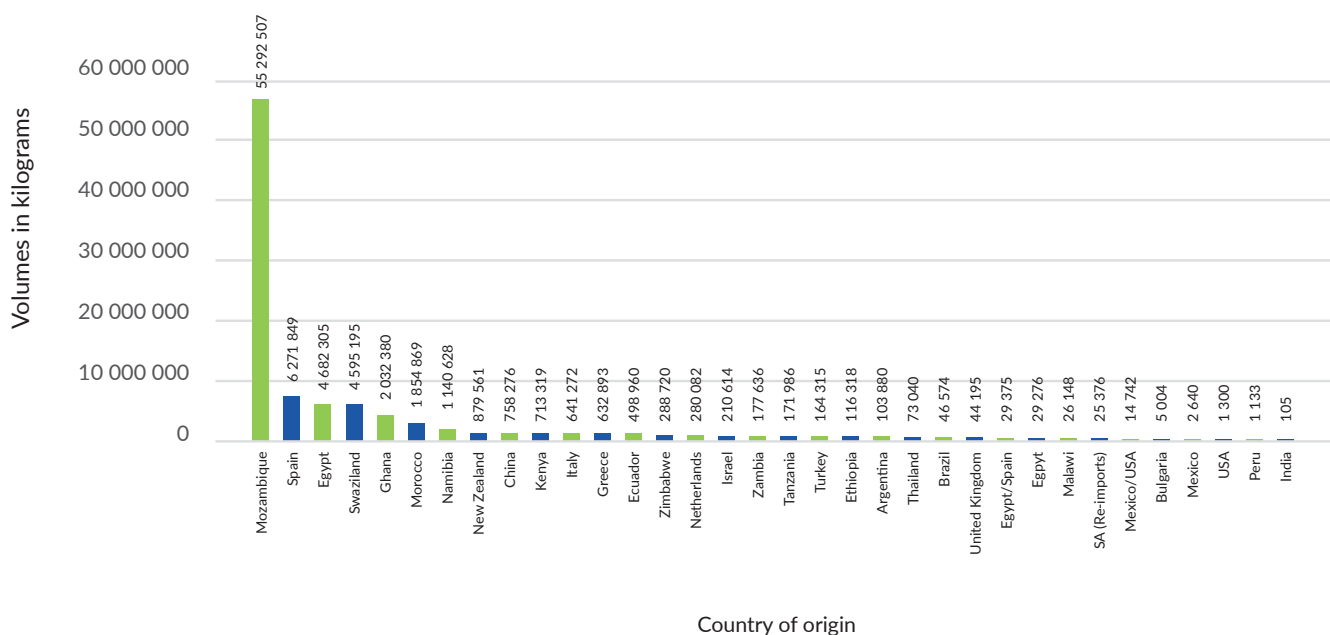
Imported products



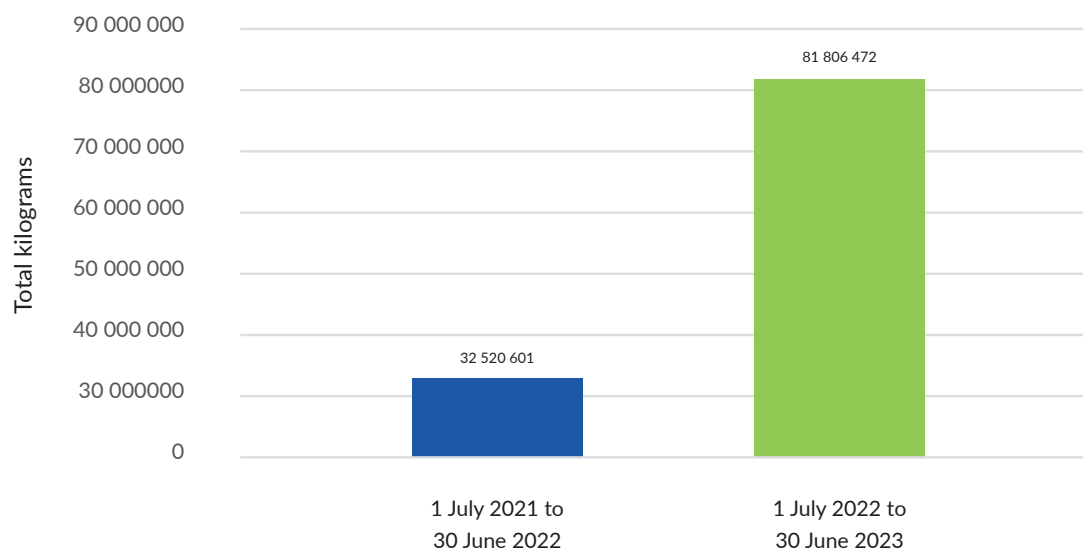
Total kilograms per regulated imported product groups inspected for the period 1 July 2022 to 30 June 2023

Other fruits

Blackberries; Blueberries; Cactus pears; Cherries; Cranberries; Dragon fruit; Figs; Gooseberries; Granadillas; Guavas; Jack fruit; Kiwi; Mangoes; Melons; Papayas; Pomeranate; Raspberries; Star fruit; Strawberries; Sweet melon; Watermelon.



Total kilograms of regulated imported products inspected per country for the period 1 July 2022 to 30 June 2023



Total kilograms per all regulated imported product groups inspected for the period of 1 July 2021 to 30 June 2022 compare to 1 July 2022 to 30 June 2023



There is 49 431 314 kg (152 %) increase for the period of 1 July 2021 to 30 June 2022 compared to the period 1 July 2022 to 30 June 2023.
The increase is ascribable to the significant increase in inspections on the borders.



INSPECTIONS ON LOCALLY PRODUCED FRESH POTATOES

- 01

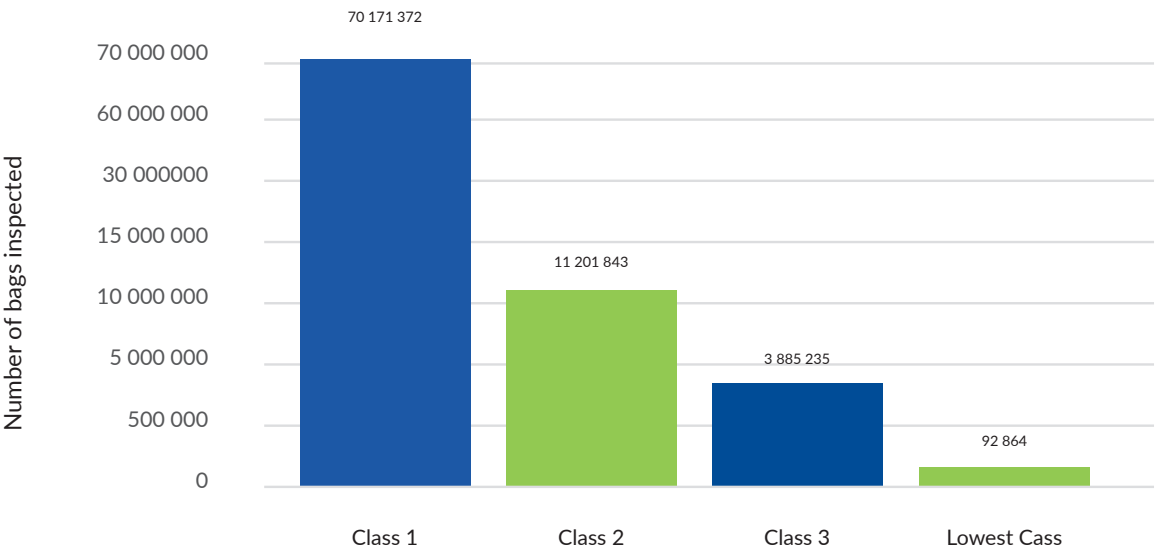
The regulations pertaining to the grading, packing, and marking of potatoes intended for sale in the Republic of South Africa were published under Government Notice R. 273 in Government Gazette No. 42260 dated 1 March 2019.
- 02

The inspection fee on potatoes is revised annually.
- 03

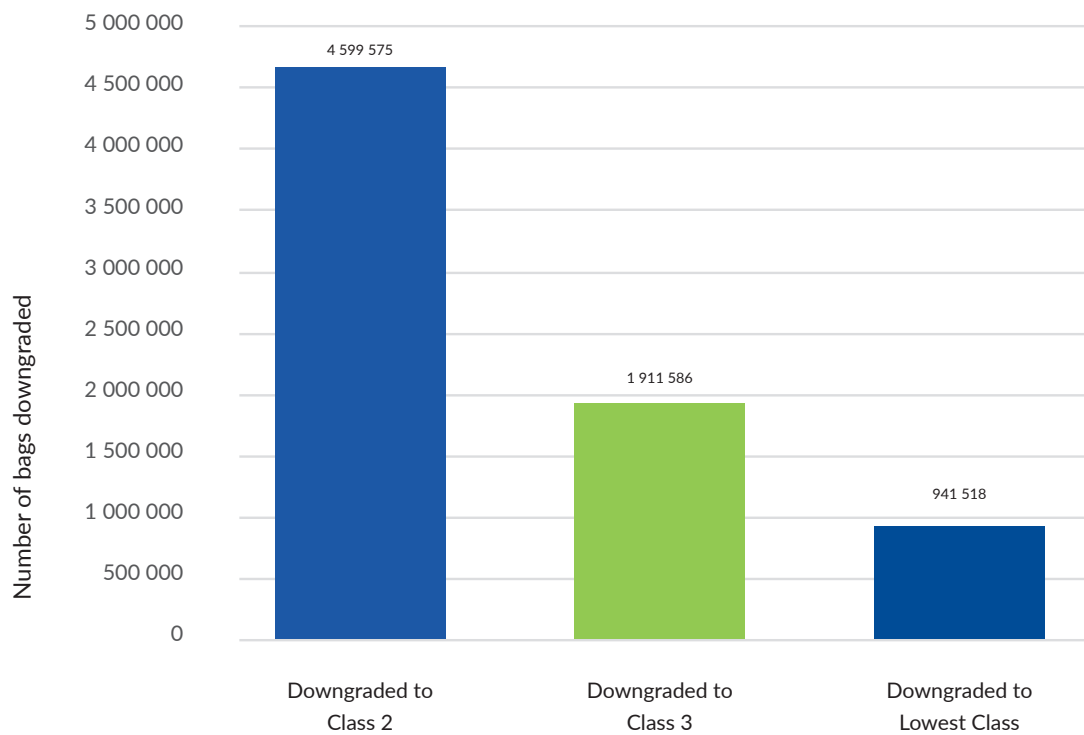
During the year under review the potato consignments received from the 16 potato production regions and non-producing suppliers, were inspected at fresh produce markets, distribution centres, wholesalers, and retailers.

Details of the inspections conducted on locally produced potatoes during the year 2022/2023

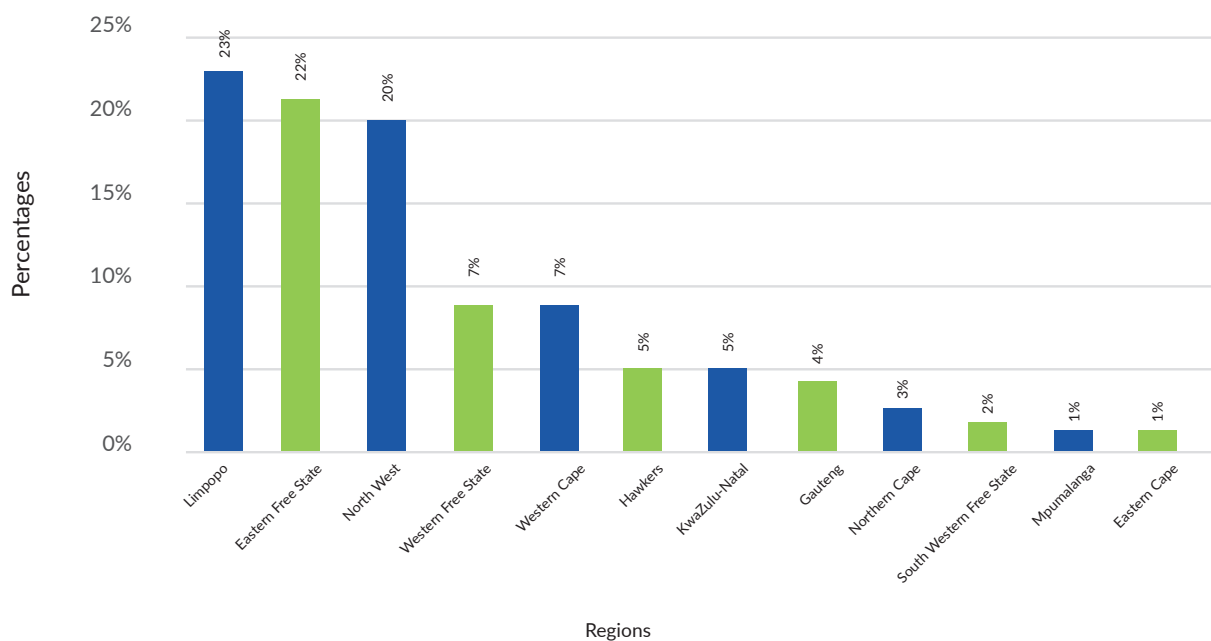
Fresh produce markets



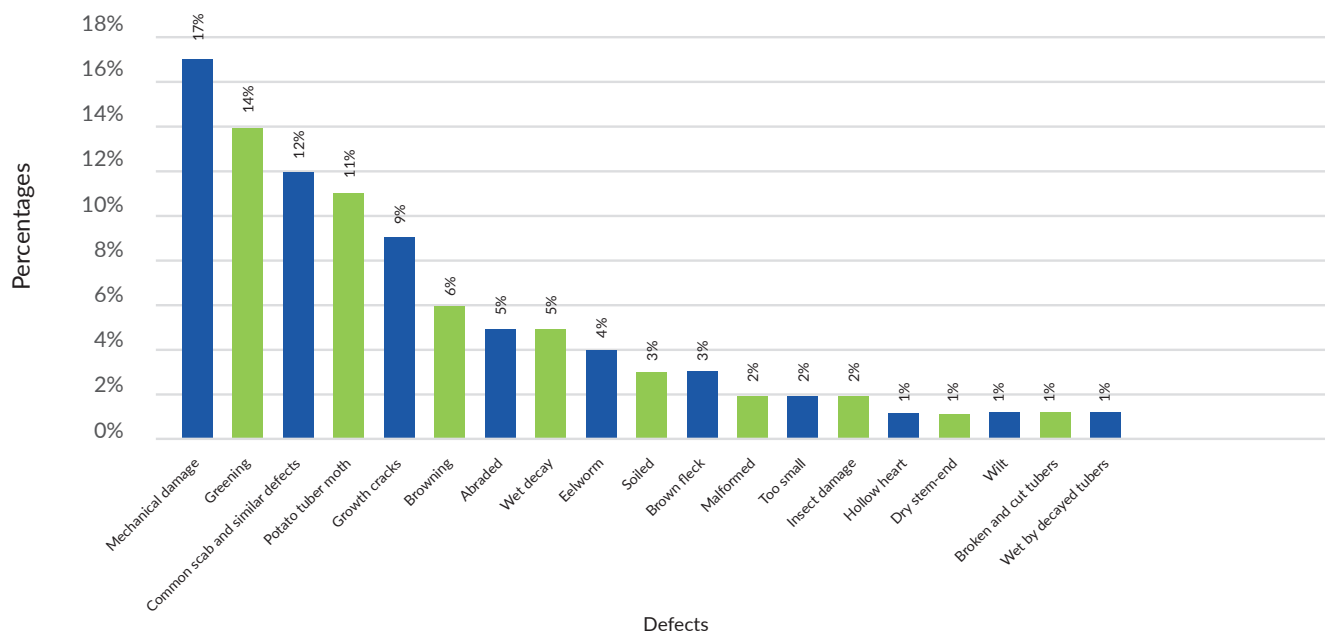
Classes of potatoes inspected on fresh produce markets for the period
1 July 2022 to 30 June 2023. Total - 85 321 314 bags



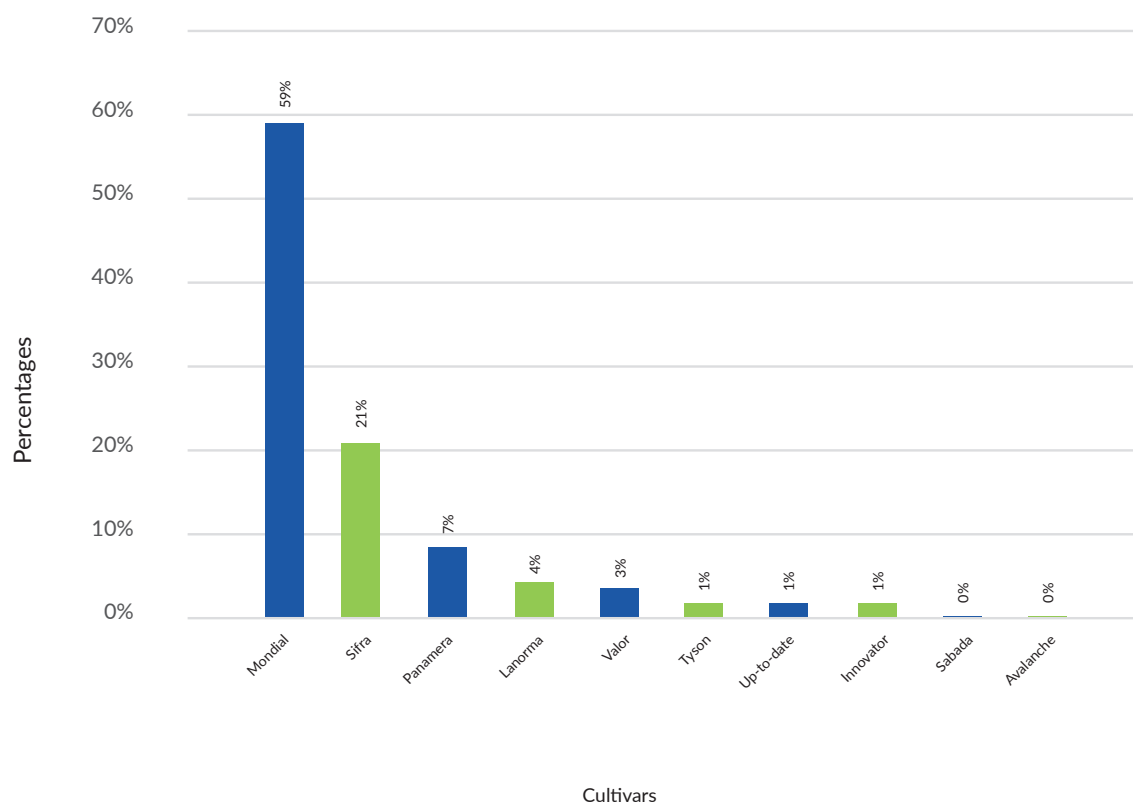
Number of bags of potatoes downgraded on fresh produce markets for the period
1 July 2022 to 30 June 2023, Total - 7 452 679 bags



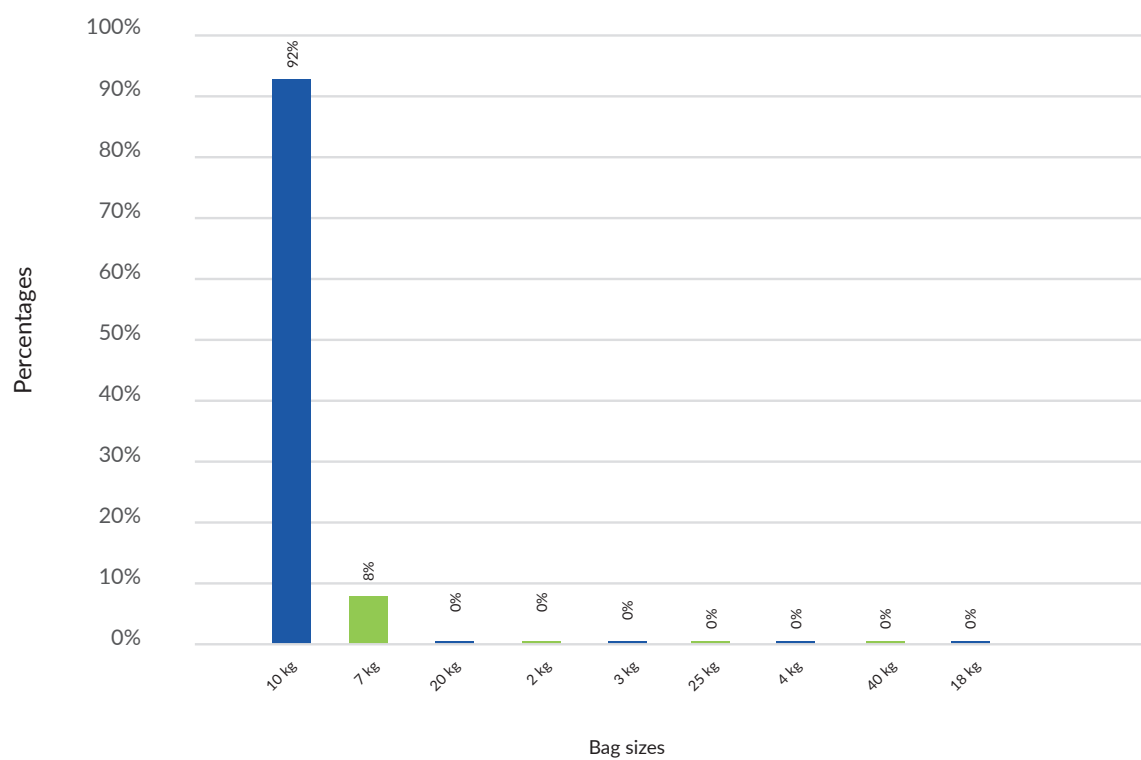
Potatoes downgraded in percentage per region on fresh produce markets during
the period 1 July 2022 to 30 June 2023



Reasons for downgrading of potatoes on fresh produce markets for the period 1 July 2022 to 30 June 2023



10 potato cultivars inspected on fresh produce markets for the period 1 July 2022 to 30 June 2023



Volumes per potato bag size inspected on fresh produce markets for the period 1 July 2022 to 30 June 2023



DEVELOPMENTS IN THE INSPECTION MILIEU

Prokon's E-click software application

Prokon further refined and broadened the capabilities of its E-click software application, which is used for the company's unique capturing, conversion, extraction and outset requirements of inspections information. It included an improved ability to extract data to facilitate reporting to stakeholders in the fresh produce industry with special reference to compiling graphs and tables. What makes the application that much more relevant is the fact that it allows for comprehensive factual reporting that is basically indisputable and is worldwide regarded as the most advanced failsafe application used in fresh produce inspection environment. Because the reports are safely stored on two different platforms it can be retrieved when the need arises by the push of a button.

Improvement of the inspection process

Prokon, in cooperation with the trade, is continuously looking at ways and means that would improve the inspection process to the benefit of all stakeholders the industry and naturally consumers.

Detection of anomalies

Inspections on fresh produce has the added advantage as it is on the front line for the detection of anomalies in an industry. In terms of Prokon's responsibility as appointed departmental assignee and its SANAS accreditation any shortcoming in the inspection process has to be addressed by the company.

Limiting food waste

Prokon continued to play a role to limit food waste on fresh produce markets by providing statistics on discarded produce to enable relevant industry stakeholders to determine the feasibility of finding alternative uses for these products.



PROKON HIGHLIGHTS

01

SANAS accreditation

Prokon passed the second SANAS audit and thereby retained its ISO/IEC 17020 international accreditation in respect of fresh produce.

02

Expansion of footprint

Prokon expanded its footprint by:

- Opening of two new offices, i.e., in Polokwane and at Komatipoort. The opening of the latter is of special significance because of the large number of consignments passing through the border post between Mozambique and South Africa.
- Officially opening the Prokon office at the OR Tambo International Airport, Kempton Park to facilitate inspections on imported fresh produce.

03

Sampling service on fresh produce

Prokon is increasingly contracted to render sampling services for MRL testing on locally produce fresh fruits and vegetables.

04

Improved liaison with industry stakeholders

Prokon appointed a liaison officer whose primary task is to foster liaison between Prokon and fresh produce industry stakeholders.

05

Determination of consequential damage

Prokon was contracted by market agents on the Joburg Market and farmers delivering fresh produce to these agents to determine the consequential damage caused by the non-functioning of the cold rooms on the said market.



TRAINING



Inspector training

Two highly successful fresh produce-related training sessions that was presented by KCB – Holland, were held. The main aim with the sessions to ensure that Prokon's inspectors were kept abreast of developments in respect of inspections in the fresh produce environment as well as enhance their inspection skills. Some retail trade stakeholders also participated to ensure they are also on par with the developments.

Farmers training

Other training sessions of note were a that offered to small-scale farmers in KwaZulu-Natal, Shoprite personnel and farmers in the Sandveld with the emphasis on compliance with local quality assurance aspects in line with the official regulations. A follow-up training session was also provided in Windhoek to the quality assurance personnel of the Namibian Agronomic Board.

Management training

Regular management workshops by way of Zoom were offered to Prokon's regional management personnel. To ensure a broader knowledge spread, the assistant managers also participated in the workshops to equip them with the necessary knowledge and skills to start playing an pertinent role in the management of the company.

INSPECTIONS



315 270 statutory inspections were conducted on regulated locally produced and imported fresh fruits and vegetables which represents 1 162 931 tons of produce. Of special significance was the sharp increase in inspections conducted on imported produce compared with the previous year.

Inspections conducted per sector during the 2022/2023 financial year.

Sector	Total Inspections	Total (kg)	Total (tons)
Markets	261 494	1 085 214 706	1 085 215
Retail and DCs	53 776	77 715 828	77 716
Imports	4 568	81 834 146	81 834
Total	315 270	1 162 930 534	1 162 931

In compliance with its responsibilities to ensure that consumers have access to quality fresh produce, Prokon expanded its quality assurance service to independent retailers and packhouses.

PUBLIC REALTIONS AND LIAISON



Prokon persevered with its efforts to act as ambassador for the fresh produce industry. During the period under review Prokon undertook several activations to promote fresh produce as a healthy, nutritional, and affordable foodstuff with the emphasis on hunger prevention.

01



Liaison with local fresh produce industry partners

Prokon made it a priority to liaise with the fresh produce industry partners on a regular basis to establish relationships that would benefit these partners, the industry itself and naturally the consumer. Examples include:

- The holding of Zoom and personal meetings with, e.g., numerous representative fresh produce industry organisations, retail trade representatives and producers to promote cooperation and foster closer ties.
- Participation, in cooperation with fresh produce industry partners, in a special promotion day on the Joburg Market with the emphasis on liaison with buyers and consumers on the consumption of fresh fruits and vegetables as a key component to a healthier lifestyle.
- Attendance of farmers' days such as the Limpopo Farmers' Days held at Vivo and Tom Burke, and the KwaZulu-Natal Farmers' Day held at Weenen.

02



Liaison with official institutions

Prokon, as official assignee of the Department of Agriculture, Land Reform and Rural Development, had regular meetings with departmental officials on the company's regulatory-associated activities. It also submitted quarterly reports covering the full spectrum of the inspections conducted on potatoes and the other regulated fresh fruits and vegetables.

Due to the nature of its activities, Prokon also had regular contact with the representatives of the National Regulator for Compulsory Specifications Act (NRCS) and the Perishable Products Export Control Board (PPECB). These meetings are especially important in order to ensure that Prokon's inspection activities are at all times in line with the latest guidelines and regulations.

03



Liaison with foreign fresh produce industry role players

Prokon is of the opinion that liaison with foreign fresh produce industry institutions is of the utmost importance. Such liaison is created by attending international conferences and exhibition, overseas visits to foreign regulatory and quality assurance bodies and membership of agricultural associations. The liaisons afford the personnel the opportunity to converse with the personnel of likewise institution, remain informed in the field of quality assurance and establish contacts. Examples hereof during the year under review are:

- Meetings with the management of the Namibian Agronomic Board in accordance with the memorandum of understanding signed between Prokon and the said board with special reference to providing training by Prokon to suitably equip their quality assurance personnel.
- Hosting a senior official attached to the Zambian Agricultural High Commission, which included a visit to the Tshwane Fresh Produce Market.
- Affiliated membership of the Produce Marketing Association (PMA) that provides an ideal platform to liaise with local and international fresh produce role players when attending the annual PMA South Africa conference. As the PMA is an international association Prokon personnel also attend the association's international conferences on a regular basis.
- Attendance of the African Potato Association conference in Malawi.
- Participation in the meeting of 20 foreign inspection bodies on the harmonisation of inspection activities of such bodies, that was offered by KCB in Holland. The primary aim of the meeting was to endeavour to harmonise the quality assurance regulations and import/export standards applied in different countries. The meeting also created the ideal platform to exchange ideas and learn from one another.

04



Information

Prokon's information package is aimed at providing all fresh produce stakeholders with up-to-date and relevant information that could be especially useful in the marketing of produce with the emphasis on ensuring such produce comply with the official regulations.

The most important components of Prokon's information package are the data base, website, and production aids.

05

Production aids

The potato colour plate book and tomato quality inspection guide which have been compiled with the cooperation of Potatoes South Africa and prominent tomato producers respectively have proven to be very useful to and popular with industry role players such as Prokon's inspectors, producers, market agents and industry quality assurance personnel.

Significant progress has also been made with the compilation of a similar colour plate book on onions.

06



Data base

The information loaded onto the data base offers the user an excellent aid which is of primary importance in the production, harvesting and marketing of fresh produce.

Information most in demand included:

- Number of containers delivered per market.
- Number of containers per size group and class delivered per market.
- Volumes delivered per region, as well as nationally to all markets and retail outlets as well as imports.
- Cultivars and volumes delivered per region as well as nationally to all markets and retail outlets as well as imports.

The tracing of diseases and pests cannot be emphasised enough. This information is made available to researchers and industry organisations with a view to, inter alia, implement preventative and control measures. The value lies especially in the source of the diseases and pests can traced back to farm level.

07



Website

Prokon's website offers the visitor a comprehensive overview of the activities of the company and the services it delivers. It also contains the latest official quality regulations applicable to potatoes and colour plates depicting the quality standards. In respect of the other regulated fruits and vegetables the relevant regulations are available on the Prokon website.

With the emphasis on increasing the value of the services it renders to its fresh produce industry client base, the website is being upgraded and expanded to ensure that it becomes an even more useable and valuable source of information.

08



Promotional activities

Promotional material on Prokon and the services it renders is available in printed format and on the website. It comes in especially handy during the discussions with representative industry institutions and other role players.

To enhance exposure Prokon publishes an article in every edition of the CHIPS magazine in respect of bi-monthly potato consignment deliveries per region to fresh produce markets as well as information on the status of the consignments. Other articles on Prokon activities are also published in agricultural publications.

CONTACT DETAILS



Business address (Head office)

318 The Hillside Road
The Hillside Building
Lynnwood, Pretoria

Contact details

Tel: +27 12 325 4578/9
Email: admin@prokonsa.co.za
www.prokonsa.co.za