



JOBURG MARKET (SOC) LTD

Company Registration No: 2000/023383/07

BUSINESS PLAN

2015/2016

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Date:

Signature of acting Chief Executive Officer: Mr. Bafana Dhlamini.....

Date:

Signature of acting Chief Financial Officer: Ms. Benvinda Rocha.....

Date:



Joburg|Market

JOBURG MARKET (SOC) LTD

BUSINESS

PLAN

“Towards the market of the future”

2015 / 2016



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Glossary of Terms

ABEDP	Area Based Economic Development Plan	LLF	Local Labour Forum
AET	Agricultural Education And Training	LSM	Living Standards Measure
AG	Auditor General	MANCO	Management Committee
APAC	Agricultural Produce Agents Council	ME	Municipal Entity
B-B	Back-to-Back	MFMA	Municipal Finance Management Act
BBBEE	Broad Based Black Economic Empowerment	MMC	Member of the Mayoral Committee
BEE	Black Economic Empowerment	MotF	Market of the Future
BFAP	Bureau for Food and Agricultural Policy	MOU	Memorandum of Understanding
BRT	Bus Rapid Transit	MSA	Municipal Systems Act
CANSA	The Cancer Association of South Africa	MTSF	Medium Term Strategic Framework
CAPEX	Capital Expenditure	NAFU	National African Farmers Union
CASP	Comprehensive Agricultural Support Programme	NAMC	National Agricultural Marketing Council
CB	Commission Business	NDP	National Development Plan
CEO	Chief Executive Officer	NEEA	National Energy Efficiency Agency
CFO	Chief Financial Officer	NGO	Non-Governmental Organisation
CoJ	City of Johannesburg	NVC	New Venture Capital
COO	Chief Operations officer	OH&S	Occupational Health and Safety
CPF	Community Policing Forum	OHASA	Occupational Health and Safety Act
CPI	Consumer Price Index	OPCAR	Operation Clean Audit Report
CRR	Cash Reserve Ratio	OPEX	Operational Expenditure
CSI	Corporate Social Investment	PDA	Public Development Authority
DED	Department of Economic Development	PLWD	People Living with Disabilities
EE	Employment Equity	PMA	Produce Marketing Association of America
EPWP	Expanded Public Works Programme	PMO	Project Management Office
EXCO	Executive Committee	PMS	Performance Management System
FPM	Fruit Produce Market	PPECB	Perishable Produce Export Control Board
GAP	Good Agricultural Practises	PROKON	Product Control for Agriculture
GDARD	Gauteng Department of Agriculture and Rural Development	REMCO	Remuneration Committee
GDED	Gauteng Department of Economic Development	RSA	Republic of South Africa
GDS	Growth and Development Strategy	SADC	Southern African Development Community
GIBS	Gordon Institute of Business Science	SAMWU	South African Municipal Workers Union
GRAP	Generally Recognised Accounting Practices	SANAS	SA National Accreditation System
HACCP	Hazard Analysis and Critical Control Points	SAUFM	South African Union of Food Markets
HDI	Human Development Index	SCM	Supply Chain Management
HIV/AIDS	Human Immunodeficiency Virus Infection / Acquired Immunodeficiency Syndrome	SDA	Service Delivery Agreements
HR	Human Resources	SDBIP	Service Delivery and Budget Implementation Plan
HRCOSA	Human Resource Council of South Africa	SEDA	Small Enterprise Development Agency
HRD	Human Resource Development	SETA	Sector Education Training Authority
HSD	Health and Social Department	SEZ	Soweto Empowerment Zone
IACP	Internal Audit Coverage Plan	SHE	Safety, Health & Environment
IDC	Industrial Development Corporation	SHSUP	Sustainable Human Settlements Urbanisation Plan
IDP	Integrated Development Plan	SHU	Shareholder Unit
ILGM	Institute of Local Government Managers	SLA	Service Level Agreement
IMATU	Independent Municipal and Allied Trade Union	SMME	Small Medium and Micro Enterprise
IoD	Institute of Directors	SPS	Sales Processing System
IPM	Institute of People Management	TG	Targeted Groups
IT	Information Technology	UNISA	University of South Africa
JM	Joburg Market	W&R	Wholesale and Retail
JMPD	Johannesburg Metropolitan Police Department	WARD	Women in Agriculture and Rural Development
JMTF	Joburg Market Tenants Forum	WITS	University of the Witwatersrand
JPC	Johannesburg Property Company	WSP	Workplace Skills Plan
JRA	Johannesburg Roads Agency	WUWM	World Union of Wholesale Markets
JRAS	Johannesburg Risk and Audit Services	YARD	Youth in Agriculture and Rural Development

Joburg Market 2015/2016 Business Plan

1. Executive Summary

The Joburg Market (JM) renders a series of services which facilitate the trading of fresh produce. On a daily basis between 9,500 and 11,000 buyers - depending on the marketing season - flock to Joburg Market from across South Africa and the Southern African Development Community (SADC) region.

At any given time, approximately 5,000 producers are marketing their produce through the trading floors of JM. This ensures that a wide assortment of produce in various grades and sizes are available to buyers.

Joburg Market anticipates during the 2014/15 fiscal year operational income of R419,384M and an operating surplus of R97,429M before taxation. Capital Expenditure is set at R60m primarily for upgrading of buildings, IT as well as road rehabilitation.

Joburg Market currently employs 285 individuals in six divisions namely Finance, Strategy and Transformation, Agricultural Intelligence, Core Operations, Corporate Services and Operational Support. JM also implements a training plan to assist employees to achieve their career goals. With respect to the MotF, the company is developing a change management plan to ensure a seamless transition.

JM will continue to collaborate with DED and the CoJ: Social Development on the design of co-operatives for small and semi-commercial farmers. JM is also continuing to work with the National Department of Agriculture, Forestry and Fisheries through the Agricultural Produce Agents Council (APAC) transformation forum to promote legislation that will ensure greater food security.

Key dependencies include collaboration with the Department of Social Development with respect to the FoodBank programme, by-law enforcement with the Johannesburg Metropolitan Police Department (JMPD), negotiation with Johannesburg Property Company (JPC) for City of Johannesburg (CoJ) owned land to establish distribution centres in marginalised areas, and partnerships with Pikitup and DED, support business empowerment and promote job creation.

The flagship programmes and projects of the 2015/16 business plan are as follows:

- Finalise designs and commencement with phase I of construction of the Market of the Future (MotF) to address the need for modern market facilities and issues around food security;
- Implement a master plan for vacant property opportunities to diversify income streams;
- Implement phase one of a comprehensive transformation/BEE programme
- Continued implementation of targeted groups support and business empowerment programmes such as:
 - Support to emerging farmers;
 - Support to informal traders and emerging agents;
 - Support of SMME through preferential procurement;
 - Implement Jozi@Work initiatives *inter alia* through the establishment of co-operatives;
 - Expand the operation of the Foodbank as enabler of City initiatives in food security;
 - Support the Go Jozi programme to promote healthy eating;
 - Introduce an enterprise performance management system;
 - Implement blue and green projects; and
 - Roll out of a new by-law for the entity.

2. Strategic Intent

2.1 Vision, Mission, Values, Mandate and Problem Statement

2.1.1 Vision

To be the preferred world class African fresh produce Market.

2.1.2 Mission

To build long-term sustainability and promote socio-economic transformation through the provision of world-class facilities and services to the fresh produce industry.

2.1.3 Mandate

The company is mandated to manage and operate the fresh produce market facility located in City Deep. The functions include the following:

- Provision and management of facilities and services for the distribution of fresh produce
- enabling market access to fresh produce farmers
- Inspection of fresh produce with Food Safety and Quality requirements
- Increase support to agricultural activities and agro-processing
- Provision of services and systems that add value in the value chain of fresh produce
- Management of the operational activities of the distribution of fresh produce

2.1.4 Values

The values of JM are embedded in the trust relationship with our stakeholders operating within the fresh produce marketing environment. As an entity we hold the following values:

- **Transparency**
- **Integrity**
- **Value for money**
- **Responsiveness**

2.1.5 Problem Statement

The strategic intent of JM is to be a world-class fresh produce Market driven by the need for food security, the need for transformation/BEE, and the ultimate aim of realising the Market of the Future (MotF).

As a municipal entity operating a 64 hectare market site in City Deep, the quest for modern day food handling standards requires JM to invest in upgraded compliant facilities, services and human capital development to achieve the objectives. As a consequence, JM has produced the MotF concept.

JM subscribes fully to the Growth and Development Strategy of the City of Johannesburg (GDS 2040). In this process, the JM regularly revisits its objectives and strengthens its key aspiration to achieve the MotF. Every element of the MotF embodies the company's aspiration to ensure an effective and leading Fresh Produce Market system, accessible to all.

From a strategic perspective the rationale exists to ensure that JM concentrate on its core activities developing its strengths and refining its world-class market services, all of which are delivered from its base in Johannesburg on African soil. JM's strengths are underpinned by more than a century of growth and development and will continue to build industry and community partnerships locally and across the globe. JM will, in creating its facilities and services, employ its dedication to innovation, food quality and safety, human capital development and customer-centricity. Organisational integration forms part of the MotF strategy and will deliver safe, efficient, clean and compliant market services.

Supplementary to the modernisation scope of the JM problem statement follows the need to transform JM to enable targeted groups to participate in activities across the fresh produce value chain. In this regard, JM has developed a transformation/BEE strategy aligned to the MotF concept with mechanisms aimed to achieve the magnitude of transformation/BEE required.

There are, however, significant risks that need to be identified, understood, mitigated and continuously monitored. These risks are categorised as: regulatory, financial, technical, market, reputational and environmental (Green Economy) and is dealt with in greater detail in Section 5 of this Business plan.

2.2 Overview of the Entity

JM owes its origins to the establishment of the fresh produce market at the Market Square in central Johannesburg in 1887, where three thousand people congregated to trade in fresh produce. As the city grew, so did the trading of fresh produce. This prompted the building of a new facility in Newtown in 1913. The Market achieved an annual turnover of R1.5 million in 1913. The premises in Newtown became too small, and by 1974 the market relocated to its current location in City Deep.

The entity is a municipal owned entity and is 100% owned by the CoJ. It is a commission-based business where producers deliver their produce to market agents, whom in turn then sell the produce to buyers. Its primary income is earned through a 5% *ad valorem* rate levied on fresh produce traded at the market.

The entity recorded an annual turnover of R4.931 billion and had a staff complement of 285 employees as at end of December, 2014/15. In an international context, the company is the biggest fresh produce market in Africa in terms of volume of fresh fruit and vegetables traded.

The entity is used as a price barometer for fresh produce in South Africa, as it commands nearly 40% of the national market share in both volume and turnover, and trades twice the volume of fresh produce of the second biggest market, namely the Tshwane Market.

The Market Agents and tenants at the Market employ approximately 4,000 employees in total. There are approximately 5,000 active farmers on the Market's database and approximately 11,000 buyers visit the Market on a daily basis. Our Customers who buy fresh produce at the Market come from all over South Africa as well as SADC member countries; Botswana, Zambia, Namibia and Mozambique.

2.3 Strategic Objectives

From a strategic perspective, JM does not sit in isolation. There is a clear mandate from its sole shareholder, who in itself is mandated by the City, the province and through National

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bodies. It is therefore critical that in the adoption of its strategic objectives, JM aligns itself to the broader strategic agenda of the City, the Province and the country. The primary mechanism for alignment is

- The National Development Plan
- Medium Term Strategic Framework
- Gauteng Growth and Development Strategy
- Integrated Development Plan
- Service Delivery and Budget Implementation Plan.

The alignment of JM strategy and the aforementioned documents is presented in the image below.

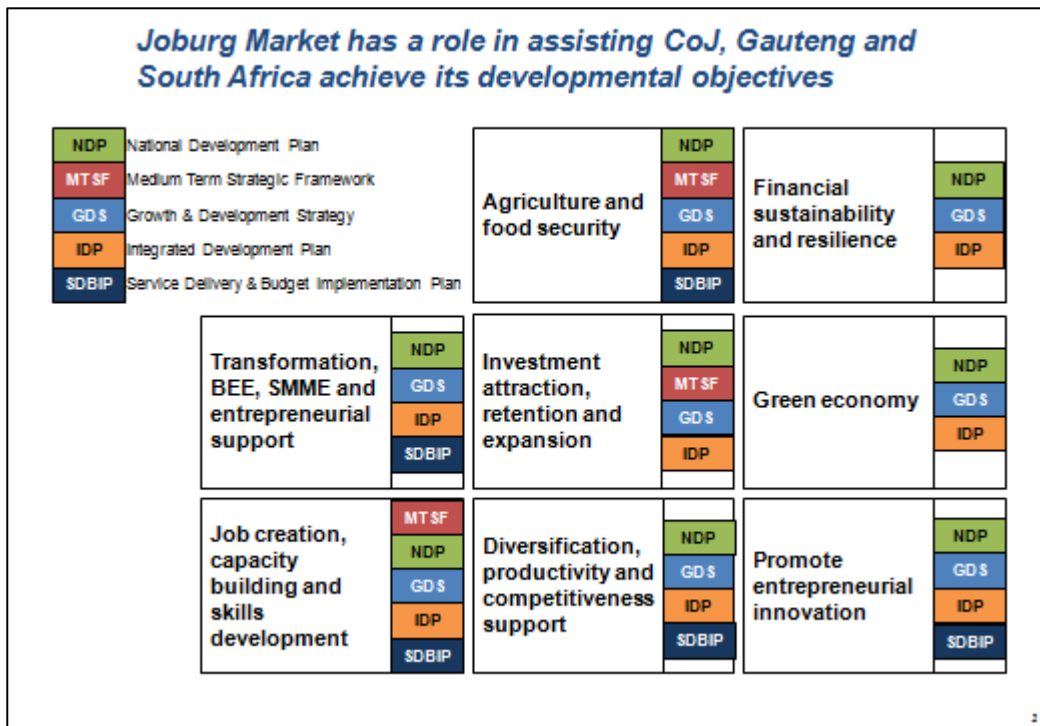


Figure 1: Alignment with developmental objectives

It is not only the external policy that determines the strategic outlook for JM. Though policy influences the direction, there is a level of granularity that requires JM to chart a strategy that best aligns it with the external context, including policy and other factors, as well as the internal requirements of financial sustainability and operational efficiency. In this regard, the strategy for the MotF was set, ensuring that critical items of transformation/BEE (including economic and environmental) are realised.

JM has used the following framework in ensuring that the development of the strategic objectives are in line with the broader development objectives of the country as well as the internal factors, including maximising revenue options, diversification of revenue streams and capital investment in infrastructure upgrades in JM's journey to the MotF.

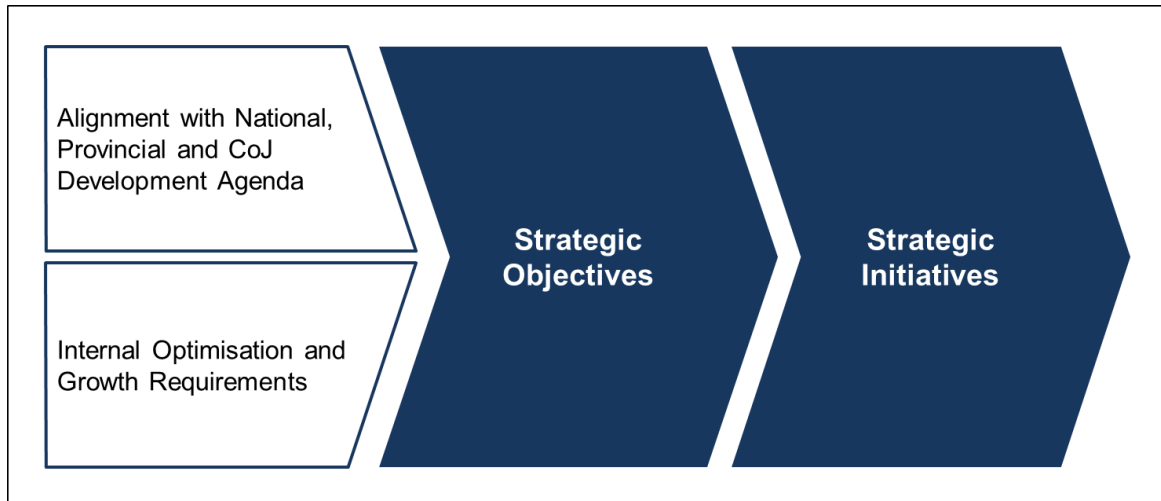


Figure 2: Development of Strategic Objectives and Initiatives

Priorities

The strategy that JM has adopted was based on achieving key strategic priorities for the organisation. These priorities are aligned to the development objectives of the city, province and national government. Furthermore, JM is on a strategic path of achieving the MotF, which further defines the strategic objectives of the entity.

Broadly speaking, these objectives seek to address the following key components:

1. Achieving the vision of the MotF
2. Encouraging Black Economic Empowerment
3. Ensuring food security
4. The green economy

Realising the vision of the MotF requires specific inputs while preparing JM for a new operating model. These inputs include capacitation of the workforce to ensure seamless progress, optimisation and growth of the core functions, eventual diversification of revenue streams.

This cannot be realised without a framework of good governance and adherence and support of broad initiatives aimed at ensuring a sustainable South Africa. This includes the absolute necessity of greater black economic empowerment, food security and the environmental sustainability.

Based on the above – the strategic objectives that will guide the organisation are presented in the image below. This is an encapsulation of JM's service delivery mandate together with the objectives of financial sustainability and growth. Since the key focus is the realisation of the MotF, the strategy is ultimately aligned to achieving this objective in a manner that is economically and environmentally sustainable.



Figure 3: Strategic objectives

Optimisation and Growth of Core Function

This strategic objective is embedded in the strategic intent of JM which underpins the following:

- JM focuses on its core competencies.
- Focus on efficient methodologies and technology usage to secure growth.
- To take a low risk approach in line with its risk appetite rating.
- Invest the lion share of its investment money in superior technology - the latter being MotF facilities.
- Conduct forecasts and monitor the environment in which it operates
- Focus on positive performance objectives and monitoring of same

The strategic initiatives that JM will pursue in achieving this include the following:

- Implementation of a purpose designed
- Explore wholesale environment business systems driven by ICT
- Consult as widely as possible to optimise MotF facilities and services
- Engage in focussed research programmes
- Implement a purpose designed Enterprise Performance Management System

Transformation and BEE

Transformation within this context is broader than just economic transformation, though it is an element that requires highlighting. Transformation includes environmental, economic and people, ultimately being the vehicle that transforms JM to the MoTF.

JM therefore considers transformation/BEE as a key intervention in the establishment of MotF and is a cross cutting strategic objective:

- JM will focus on serving the imperatives of the shareholder by assisting and delivering programmes in Agriculture and food security objectives of CoJ.

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- JM will focus on providing the platform for economic participation of the previously disadvantaged groups.
- JM will also assist in ensuring that this journey occurs in a manner that is consistent with environmental sustainability.

In the pursuit of encouraging black economic participation JM will pursue the following strategic initiatives:

- Roll-out of fresh produce hubs in previously disadvantaged areas.
- Training of urban and rural farmers to optimally utilise JM as marketing channel.
- Promoting, through compliant facilities, access to BEE participants in agro processing and distribution activities.

Firstly it is a conscious effort to continue to increase black persons to participate in the management of industry related enterprises and to hold ownership in sustainable businesses towards the good of such candidates and the community.

JM will continue with nurturing staff as its most precious asset and will continue to skill them through formal training, coaching and management and executive development initiatives.

The entire organizational structure of the company shall reflect suitable representation on all levels and will also accommodate the quest for increased gender and disabled persons targets.

Preferential procurement is targeted towards participation by black people through SMME's and black owned corporations.

In the pursuit of environmental transformation, JM will pursue the following strategic initiatives:

- Green strategy.
- Waste to energy projects.

Finally, the stakeholder engagement component will include the following strategic objectives:

- Map and understand all relevant stakeholders and their influence and importance to JM
- Prepare relevant communication to ensure that stakeholders are informed as the process unfolds
- Finalise comprehensive change management strategy to include stakeholder management

Diversification of Revenue Streams

In this regard JM pursues the following:

- Refinements under this strategy seek to achieve a core of satisfied customers and to do more business with new and existing customers in view of the better produce assortment and food handling compliance MotF will bring about.
- Master planning for “sweating of the assets”.
- Research and Development to produce new services to present clients' i.e. the facilitation of credit on behalf of grantors of such credit.
- Fidelity fund development to enhance the position of Black Economic Empowerment (BEE) Market agents.

The strategic initiatives that JM will pursue in achieving this include the following:

- Conduct industry research to finalise a strategy to facilitate credit to buyers on behalf of producers
- Call a small business indaba to link opportunities which exist in the precinct between the JM site and the flower market site
- Implement a strategy to create a fidelity fund for emerging agents in close cooperation with funding institutions

Food Security through Innovation

JM realises the following in this regard:

- Research and Development remains an active and continuous process.
- The new methodology of rendering services through fully compliant facilities will enhance the growth of JM as a regional market and as enabler of job creation at its site and in the broader industry.
- Greater innovation results in better use of technology ultimately leading to the potential for greater food security

The strategic initiatives that JM will pursue in achieving this include the following:

- Establish central pack house facilities to prepare emerging entrepreneurs to add value to produce through pre-packaging, cutting, dicing and presentation.
- Establish offices and amenities for regional buyers at JM
- Support CoJ lead department in promoting roof gardening and hydroponics

Skills Development

Without capacitated staff, the journey to the MotF becomes that much more difficult. Contract and Project Management, Supply Chain Management, Systems Development are all critical skills which would need to be developed in order to realise the MotF.

- Development of staff through targeted programs
- Improved staff morale and more efficient utilisation of staff
- Optimised journey to MotF

The strategic initiatives that JM will pursue in achieving this include the following:

- Introduce a matrix structure for project delivery
- Introduce a new reward system to acknowledge outstanding performance
- Introduce an innovation task team for MotF

Concluding Points

The outcomes highlighted above will be achieved through the realisation of the strategic objectives and the initiatives that are performed. These initiatives are based on a 3-year cycle, which are ultimately measured through the Company Scorecard.

Table 1: Strategic objectives

Strategic Objective	Strategic Response	3-year initiative	Associated Risks and Mitigation
1. Optimisation and Growth of Core Function	<ul style="list-style-type: none"> • Establish JM as a new generation fresh produce market complying to best practise in food handling standards • Strengthen the capacity of JM as a regional market and trusted source for fresh produce provision 	<ul style="list-style-type: none"> • Business-to-business marketing • Promote food safety and food quality control • Create amenities and services to enhance operations of SADC clients at JM 	<ul style="list-style-type: none"> • Lack of business-to-business marketing strategy <ul style="list-style-type: none"> ○ Mitigation: Conduct expert assessment of business-to-business priorities and develop plan • Lack of co-operation from SADC region buyers <ul style="list-style-type: none"> ○ Mitigation: To promote export desk at JM and important purpose designed communication programmes
2. Transformation/BEE	<ul style="list-style-type: none"> • Establish JM as a new generation fresh produce market complying to best practise in food handling standards • Support emerging participants to obtain access to mainstream trading opportunities across the market system value chain 	<ul style="list-style-type: none"> • Construct compliant premium market facilities (inclusive of green economy imperatives) <ul style="list-style-type: none"> ○ Transformation: Establish new generation buildings and amenities • Redesign associated trading processes <ul style="list-style-type: none"> ○ Transformation: New business processes • Implementation of change management programmes • Purpose designed development programmes for: <ul style="list-style-type: none"> ○ Emerging producers ○ Emerging agents ○ Emerging agri-processors ○ Emerging traders/exporters 	<ul style="list-style-type: none"> • Escalation costs in MotF construction <ul style="list-style-type: none"> ○ Mitigation: Intensify review process and align with CoJ budget/mid-year adjustment budgets • Resistance from key stakeholders relevant to new bylaw on trading regulations <ul style="list-style-type: none"> ○ Mitigation: Increase interaction with stakeholders and implement round table system to ensure constant engagement and support • Lack of support by industry partners to enhance emerging traders <ul style="list-style-type: none"> ○ Mitigation: Create focussed round tables and implement agreed protocols • Sustainability of emerging traders and support projects <ul style="list-style-type: none"> ○ Mitigation: Ensure suitable multi-discipline support structures to nurture all phases of enterprise

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Strategic Objective	Strategic Response	3-year initiative	Associated Risks and Mitigation
			development
3. Diversification of Revenue Streams	<ul style="list-style-type: none"> Enhance financial sustainability 	<ul style="list-style-type: none"> Diversification of revenue streams (i.e. Sweating of the Assets project) Optimisation of business functions Balance sheet optimisation 	<ul style="list-style-type: none"> Delays in Sweating of the Assets project which is due to ensure diversification <ul style="list-style-type: none"> Mitigation: Possible off balance sheet funding and earlier identification of anchor tenants Increased staff costs and other resources needed to operate MotF <ul style="list-style-type: none"> Mitigation: Conduct early OD studies and update same during development stages of MotF
4. Food Security through Innovation	<ul style="list-style-type: none"> Support the CoJ in ensuring food security in its area of jurisdiction 	<ul style="list-style-type: none"> Providing food hubs in previously disadvantaged areas Support the food for waste and indigent care programmes of CoJ 	<ul style="list-style-type: none"> Sustainability of food hubs <ul style="list-style-type: none"> Mitigation: Involve trading value chain partners to manage and support sustainability drive Possible abuse of the indigent support system by non-complying applicants <ul style="list-style-type: none"> Mitigation: Utilise CoJ lead department oversight structures and standardise protocols
5. Skills Development	<ul style="list-style-type: none"> Enhance the pool of market business expertise through formal training and coaching 	<ul style="list-style-type: none"> Tertiary training Focussed short courses and purpose designed training for unique JM environment Training conferences and seminars Appointment of coaches 	<ul style="list-style-type: none"> Lack of suitable skills for new trading environment of MotF <ul style="list-style-type: none"> Mitigation: Early skills development through technical expertise Lack of industry specific skills to enable compliant operations of MotF <ul style="list-style-type: none"> Mitigation: Contract/pool industry experts to conduct early training and coaching prior to completion of MotF facilities

2.4 Broad Strategic Enablers

2.4.1 Food Security, Transformation/BEE, and the Market of the Future

The sub programmes developed in enhancing the MotF are in essence an integral part of an economic transformation programme which will enable the following:

- Emerging farmers, emerging agents and emerging traders will be able to conduct business with large corporate companies in South Africa and SADC from the JM premises. All these activities will be coordinated and supported through a new concept known as the Back-to-Back Co-operative system.

The integrated distribution chain that will be created through new services offered by MotF will enable further trading opportunities:

- Through its targeted groups programmes and marketing functions, JM will develop a new generation of young entrepreneurs in fresh produce trading in fully compliant facilities, participating in mainstream business opportunities.
- The development of additional high quality facilities on the JM vacant land will enable large businesses to establish efficient distribution centres close to the new generation of entrepreneurs.
- The concentration of more food related businesses on the market site will enable the exponential growth of the JM FoodBank and will form a crucial part of efforts to fight hunger in the City.
- Food security forms the underlying driver of all the programmes related to MotF

JM views its transformation/BEE programme as follows:

- Linking CoJ transformation imperatives with the National Agri BEE code to produce a unique JM transformation/BEE strategy
- Transformation of the JM trading environment (The latter includes access to business opportunities, Women, Youth and Disabled in Agribusiness, Service Providers (SCM) and EPWP).

Progress has already been made on a number of fronts, including Enterprise Development and Ownership, Preferential Procurement, Training and Development, Employment Equity and Socio Economic Development.

Mechanisms at the disposal of JM to affect its transformation/BEE objectives in this regard consist of the MotF and the introduction of a 'special purpose vehicle' to enable the empowerment of the targeted groups with meaningful participation. JM will consider a Think Tank or Round Table approach.

A targeted scenario in year 5 of this transformation/BEE programme will be as follows:

- Wholly owned Black agencies 60%
- Large agencies ownership levels 49/51 in favour of Black ownership
- Funding of Black agents buying into large agencies achieved through the Back-to-Back Co-operative partnership

- Maintenance of trust by producers facilitated through partnerships in the Back-to-Back co-operative supported by a supplementary fidelity fund. (This fidelity fund will have more features than that of the APAC fund and will be a value added service provided by the co-operative).

The implementation of the MotF will require significant inputs to enable the eventual operation of a successful new environment. Once the new market facility is proving success and value added services show results the various role players will participate with more vigour in the transformation/BEE programme.

More information around the business transformation/BEE can be found in Annexure 9 of this document.

More information around food security can be found in Annexure 10 of this document.

2.4.2 Corporate Security

All businesses at JM are highly dependent on their own and perimeter security. JM provides perimeter security whilst agents, tenants, businesses and other operators provide their own security arrangements. Perimeter security is the vital component to ensure successful protection of all stakeholders on the site.

JM invests in security technologies and security provider skills to ensure that this foundation is solid and effective. JM tests its interventions on a regular basis by communicating to key security monitors as appointed by the former Joburg Market Tenants Forum for security.

Security departments are no longer only incident-driven. The environment within which security departments operate and the mandate of security departments has changed and they should now take a far more proactive approach to organisation-wide security.

In terms of the strategic objectives of JM, the MotF, food security, and the transformation/BEE, it is important to effectively identify, mitigate or manage, at an early stage, any developments that may threaten the resilience or success of these plans.

For corporate security to be aligned with the business, security managers must understand the business and how they contribute towards its objectives.

2.5 JM Capability and Organisational Structure

2.5.1 Capability Statement

Capabilities

JM provides facilities and services in order to facilitate the trading of fresh fruit and vegetables. Often being described as the stock exchange for fresh produce – the specialised central trading system of the company renders the service through unique systems and processes.

Producers, buyers and other intermediaries depend on the accuracy and real time availability of trading results to enable critical decision making.

Facilities

Trade takes place in three (3) Foodhubs, namely: Fruit Hub, Potato & Onion Hub and Vegetable Hub, measuring a total of 65 000m² via a commission system. The Market charges the producer a mere 5% commission on all sales made on the commission floor. A further negotiable levy of 7,5% is paid to Market Agents for selling produce on behalf of the farmer.

JM also provides cold storage services to ensure compliant preservation of large volumes of produce which is required to be kept within the logistical cold chain. Premises are also being leased to food related enterprises serving as a complementary feature in serving the requirements of the thousands of buyers visiting the JM site daily.

Core Competencies

The company therefore holds substantial expertise to enable the high level of services it renders. These include

- Financial services,
- Engineering expertise,
- Human resources support,
- Strategic services,
- Risk services,
- Trading and consignment regulation services,
- Property, and
- Information technology for sales processing.

The company holds certification for its food testing lab through the SA National Accreditation System (SANAS) system and certification of its cold stores by the Perishable Experts Control Board.

The qualification statements of senior staff and/or board of directors are attached in Annexure 6 of this document.

2.5.2 Organisational Structure

In order to carry out the services as described above, the following organisational structure has been approved and is currently being implemented. These functions, as outlined below, represent a thorough description of managing a fresh produce market.

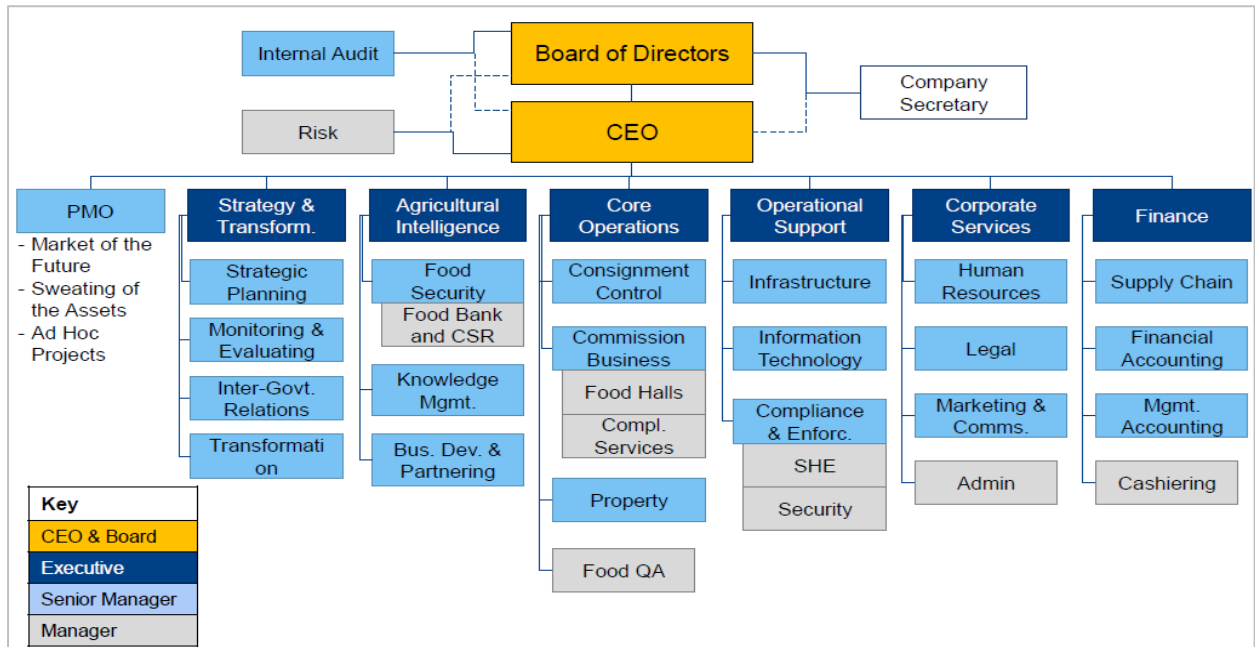


Figure 4: Joburg Market Organisational Structure

2.5.2.1 Strategy and Transformation

This unit is an all-encompassing unit that will work hand in hand with all other units in JM as JM takes its journey towards the green MotF. Strategy and Transformation will play a key role in changing the culture and efficiency of JM.

The following portfolio of services is rendered by the above department:

Strategic Planning

- Strategic planning includes the development of annual and 3 year business plan. The function is also responsible for longer term strategic planning and trend analysis based on developments in the many spheres of the fresh produce industry. It provides input to an organisation of regular strategic sessions.

Monitoring and Evaluation

- Strategic support mainly focuses on commercial risks and mitigation. Commercial risk management includes the monitoring of the alternative market ventures and activities by stakeholders to circumvent the JM. Major interventions include the redesign of Market By-laws and the introduction of a new licensing system for market agents and their sales forces.
- Following the approval of a performance management system in compliance with the provisions of the Municipal Finance Management Act (MFMA) the function resides with the office of the CEO.

- Performance Management is monitored by the Board through its committee systems and forms part of key strategic planning sessions.

Inter-Government Relations

- The objective of this unit to ensure that all government communications are dealt with accordingly and that all government objectives and processes are achieved and followed by JM respectively.
- The function of international relations is conducted by the CEO and an international relations manager. Special emphasis is placed on the development of trading in the SADC region and other viable trading opportunities with countries on the African continent including islands such as Mauritius and the Middle East.
- The JM also holds membership with the World Union of Wholesale Markets (WUWM) and the Produce Marketing Association of America (PMA). Head offices of these institutions are located in the Netherlands and the United States of America.
- The above mentioned organisations provide a platform to ensure regular information flow to its members and facilitate networking opportunities. Innovation and modernisation information received at international conferences and Expos holds great value to the planning processes of JM.
- From the SADC region the JM is continuing to experience a growing number of buyers. Distances and logistical challenges remain a major challenge and the JM will be involved in researching technologies and methods to enable the tapping of this market opportunity.
- Intergovernmental relations with NDAFF and GDARD will be built around key projects and programmes. JM is pursuing i.e. the Back-to-Back Co-operative system to which GDARD was exposed to previously.
- NDAFF and the NAMC will be consulted on a regular basis to extend the information bank to be established at JM for its programmes and projects.

Transformation

- The objective of this function is to transform the JM's current state, with respect to Broad Based Black Economic Empowerment (BBBEE) and operational efficiency, into a market that is world class, highly efficient and supports BBBEE. This objective will be achieved by:
 - Enabling targeted beneficiaries to conduct business in the main stream trading opportunities for fresh produce
 - Nurturing sustainability of beneficiaries through continuous support programmes backed by suitable expertise
 - Harness the goodwill of stakeholders to establish food security across the CoJ
 - Building and supporting the good image of targeted entrepreneurs with major fresh produce buyers and distributors

2.5.2.2 Office of the CEO

In addition to her responsibilities as accounting officer, the Chief Executive Officer (CEO) specifically involves herself with the following functions:

Internal Audit

- The internal audit function also submits reports to the Audit Committee of the Board of Directors. As part of its ongoing campaign to ensure compliance, regular audits are conducted and reviews undertaken to support the JM in its quest to adhere to legal and legislative compliance. The function also supports the effort to comply with the principles of the King III report on corporate governance. A fraud line is in place and an audit plan to evaluate the unique operations of the JM was introduced.

Risk Management

- The risk management function is performed strictly in accordance with the policies of the CoJ and the corporate risk function of the Shareholder Unit of CoJ (SHU). As a third phase programme aimed at refining the risk portfolio in accordance with the risk standards adopted by CoJ is in the process of being implemented.

Company Secretariat

- The company secretarial service supports the functions of the Board and reports to the CoJ. The application of bylaws and relevant agricultural legislation requires constant legal support by this function. The vetting and drafting of commercial contracts also forms part of its mandate.

Project Management Office (PMO)

- The role of the PMO is the management of all projects for the Market through the appropriate application of project management principles. Once completed, some project outcomes will be incorporated into day-to-day operations. As at November 2013, the MotF and Sweating of the Assets were the major projects undertaken.

2.5.2.3 Agricultural Intelligence

This function will conduct the food security function - and interact with the lead department of CoJ to effectively deliver on the mandate. The FoodBank and Corporate Social Investment (CSI) functions will assist CoJ in ensuring support of indigent programmes.

Fresh produce markets in South Africa requires in depth research. The research function will also seek research partnerships in the wider fresh produce industry to ensure synergies with stakeholders in the field of research.

Along with Growers associations and their individual producers this function will focus on business develop opportunities linking commercial and emerging farmers with sustainable trading opportunities emanating from the MotF development.

2.5.2.4 Core Operations

The following portfolio of services is rendered by the above department:

Consignment Control

- Consignment control and consignment audit ensures that all produce entering the Market site is captured accurately to ensure that all income is recorded at the correct

levels. Secondly it also aims to protect the interests of both producers and buyers. In the latter respect the CEO of JM performs the role of an independent “referee”. Powers to conduct this role is *inter alia* embedded in the Market bylaws.

Commission Business

- This function is custodian of the services rendered to clients and for which an ad valorem market due of 5 percent is collected on the gross value of each consignment sold. It ensures orderly trading practices and conducts the daily operations of the trading halls and services supporting trading.

Property

- JM provides cold storage and ripening services from which usage income is derived. Furthermore, in terms of the bylaws and policy directives utilised to manage the market, income is also derived from fees and fines such as floor storage charges if produce remain unsold for an extended period. The Property function acts as a property management function managing these income generating properties.
- Property rental is the second largest contributor to the income of JM. Clients operate diversified activities on the Market site which require in general a high level of risk awareness and as a consequence regular risk and housekeeping assessments are conducted.

Food Quality Assurance

- Quality assurance is an inspection service ensuring product quality standards as well as food safety in protecting the interests of consumers. In particular random tests are conducted to ensure that no unduly high levels of agricultural chemical residues such as pesticides are present on produce remain below the prescribed norms.

2.5.2.5 Operational Support

The following portfolio of services is rendered by the above department:

Compliance and Enforcement

- **Security**
 - The security function provides for a perimeter security measure to tenants and comprehensive protection of the public, employees and assets of the JM.
 - The security section also focuses on commercial crime, as numerous syndicates operate nationally in crimes affecting both fresh produce stocks as well as logistical equipment such as heavy duty trucks. A specialised training programme in the latter regard is to be developed by the envisaged JM academy.
- **Safety, Health and Environment**
 - In terms of legislation the Market is regarded as a factory in the application of Occupational Health and Safety (OH&S). The unique relationship with tenants and market agents poses specific challenges. Both the annual CoJ risk

assessment and the yearly risk assessment by the insurers ensure objective evaluation of compliance to risk and Occupational Health and Safety imperatives.

- **Infrastructure**

- This division is also responsible for the maintenance of the facilities and equipment of the Market. Critical installations such as the cold stores and ripening chambers are sensitive to even mild deviations and require continuous availability of trained support staff.

- **Information technology**

- Every aspect of fresh produce trading is managed through a purpose designed real time electronic sales processing system generally known as the SPS. It produces trading results on a continuous basis and disseminates data which is made available to producers, buyers and other Industry role players. It also serves a payment system as JM is the sole collector of all monies generated through trading.
- The SPS system is also linked to a unique financial system. Commonly known as the JD Edwards System it enables post trading administration of monies as well as managing the financial accounting requirements of the company.

2.5.2.6 Corporate Services

The following portfolio of services is rendered by the above department:

- **Human Resources (HR) and Wellness Centre;**

- Training and coaching employees in the fresh produce trading environment remains a mammoth task. It still remains difficult to replace staff as skills in the Industry are scarce and as a consequence the division has embarked on a skills development plan. The latter includes the roll out of a purpose designed trading academy. The HR function performs the development and remuneration of staff, and the maintenance of HR records. It is further tasked with the function of Labour Relations and employee performance assessment administration.
- The Wellness Centre as part of this portfolio supports staff in terms of its mandate and special focus is placed on supporting employees affected by HIV/AIDS.

- **Marketing and Communications;**

- The function performs the following marketing tasks:
 - Key account management;
 - Local and International Stakeholder relations;
 - Customer care;
 - Marketing research;
 - Promotions; and
 - Corporate social investment.
- This function is mainly conducted from a Business-to-Business perspective. Clients are dispersed across South Africa and the SADC region.

- The Marketing division also plays a vital role in the Corporate Social Investment program of JM and administers the food bank system.
 - Marketing & communication activities include participation in exhibitions, media projects and Industry related conferences and seminars.
 - The function also conduct regular marketing research to measure performance the performance of JM and its stakeholders situated on the Market.
- **Company legal and secretarial services;**
 - The application of bylaws and relevant agricultural legislation requires constant legal support by this function. The vetting and drafting of commercial contracts also forms part of its mandate.
- **Administration**
 - The objective of this function is to keep oversight of document management within the organisation including registry and archiving. Furthermore, the function will manage and maintain the JM fleet

2.5.2.7 Finance

The following portfolio of services is rendered by the above department:

- **Financial Management**
 - In line with the City's approved financial development plan (FDP), GDS 2040, IDP, and the Ten Mayoral priorities, the financial management function is the key driver to achieve financial sustainability in the Joburg Market. It is responsible for the organisation aspects of its financial health. It is accountable for the resources entrusted to it, including funding, expenditure management, and cash flow management including budgets and accounting responsibilities. It also involves the implementation of business process engineering to effect strong internal controls.
 - It ensures that all funds are spent in accordance with JM policies and procedures, and operating needs met within available budgets. Its responsibility also includes financial management, and development of investment strategies and financial reporting and expenditure monitoring. It encourages units to develop an oversight process that builds on best practices. It determines all funding sources, expenditures and reserves available for future use (excluding those already committed and budgeted for current period). Furthermore; it includes all outstanding commitments to unit-wide programs, capital projects. The department also provides management with information necessary to make strategic decisions at any time during the year.
- **Fixed Asset Controls and Insurance**
 - The Joburg Market Fixed Assets department within the Finance structure is tasked and responsible for the safeguarding and management of its assets and insurance of assets thereof. The management of the company's fixed assets being Property, Plant, Equipment, Investment Property and Intangibles by means of ensuring that the requirements of the strategic objectives and operational needs are met with the allocation of a capital expenditure budget. This process entail planning and proper

budgeting of all capital projects, acquisition, maintenance and disposal of scrap and redundant assets are in terms of the Finance policies and procedures.

- All acquisitions and disposals are carried out in line to the requirements of the MFMA and Supply Chain Regulations. These include among others; maintenance of the Joburg Markets fixed asset register by means of physical asset verifications, impairments and re-valuations of assets. The insurance component includes; insurance for business continuity, assets, employees, accidents and asset loss.

- **Supply Chain Management**

- Supply management at Joburg Market is to enhance compliance, improve accountability and transparency, update measures required to combat fraud in the supply management value chain. It supports the sound financial management processes in place to improve service delivery. SCM provides the mechanisms of implementing demand management and establish mitigating strategies for internal controls processes for competitive bidding.
- SCM plays a pivotal role by spanning demand, right from the end-customer's requirement to the suppliers that provide the goods and services to meet the needs. It involves going beyond the suppliers that interface with the organisation in order to effect improvements. These may include removing cost, increasing quality or ensuring ethical, environmental or socially responsible inputs.
- The Supply Chain's role with Joburg Market is guided by the MFMA, BB BEE Act, MSA, PPPFA, SCM policies and procedures and many other regulations relevant to an effective supply chain management process.

- **Cashiering**

- To further ensure an effective cash management system and approach, the cashiering department supports the business by ensuring that all cash received from customers is safely deposited, all refunds are deposited to customer's accounts, all cashiers perform a daily balancing function and all daily cash is deposited through the officially appointed service providers for banking purposes.

- **Property Services**

- To further support the Joburg Market expansion and growth strategy, the property services department supports the business by determining the rental rates as per stipulated guidelines; advertise vacant premises and recommending suitable tenants, producing leasing agreements including repair and maintenance. In addition, the function includes invoicing, receipting, debt collection and reporting.

2.5.2.8 Additional Services & Focussed Projects

In addition to the organisational structure, JM has identified a number of services that contribute towards the wider economic and environmental sectors

Supporting a Blue and Green Economy

- In supporting the quest for a blue and green City, the JM will pursue a number of initiatives within its mandate.

- Being mindful of legislative requirements and in particular the provisions of environmental- and consumer protection acts, the following aspects will be addressed:

Practises of Food Handling

Key hereto is the functions of the JM Laboratory and its Safety, Health & Environment (SHE) Department. Whilst the lab will intensify its role in ensuring quality and safe produce to buyers it will also continue with the implementation of protocols with producers and their organisations. The newly promulgated Consumer Protection Act is relevant in the latter regard as there is a strong emphasis on the traceability of produce. The consumer has a right to safe produce and hence the traceability of produce from 'seed to plate' has become a reality. The mentioned protocols will provide for refined processes between the farm gate and the Market trading floor. From an Information Technology (IT) perspective supplementary information will have to be captured into the JM electronic sales processing system.

Practises in Disposing Organic Materials

The green economy represents a Mayoral priority. During the State of City address by the Executive Mayor of Johannesburg, Cllr Mpho Parks Tau indicated the usage of organic waste produced at JM as a key ingredient toward the Green Revolution being pursued in the CoJ. The company will fully support this drive through research and development practises in close co-operation with the CoJ lead department. Methods of sanitisation are refined to ensure the usage of environmentally friendly consumables. The Market site is approximately 64 hectares in size and as a consequence comprehensive cleansing and sanitisation operations are conducted daily. The central trading system produces massive databases of information. In the latter regard the drive towards a paperless reporting environment as well as the safe disposal of redundant computer equipment and peripherals will receive special attention during the 2012/13 planning period. Medical and Laboratory waste are disposed in a compliant fashion under the supervision of the JM SHE Department. In order to ensure legislative compliance a full audit in this regard is scheduled. As part of its stakeholder engagement programme the JM promote nature friendly cultivation and social responsibility by all parties in the fresh produce supply chain.

JM intends to lower the current Carbon footprint within its operations and adopting the vision for all buyers and sellers. JM's current carbon footprint is illustrated below and serves as baseline for future calculations:

JM's Carbon Footprint Index for 2013/14			Target	
Index Item	Quantity utilised	Carbon Consumption kgs of CO2	2015/16	2017/18
Bulk waste removal (kgs)	43 000	116 100	-10%	-12,5%
Fuel consumed (litres)	31 000	71 300	-12%	-14%
Electrical consumption (MW)	32 000	31 000	-17.5%	-18,%
TOTAL	106 000	218 400		

The following is a list of items that will take an initial investment, but should pay for themselves over the course of 1-4 years through savings on your energy bills. It has been proposed that these be incorporated into the MotF Design Philosophy:

- Fit energy saving light bulbs;
- Installing cavity wall installation;
- Installing 180mm thick loft insulation;
- Recycle all grey water; and
- Installation of solar panels to generate electricity for trading halls and amenities.

2.6 Enterprise Performance Management

In response to the service delivery agreement and service level agreement governing the relationship between CoJ and JM, the company has produced an enterprise performance management framework.

Effective enterprise performance management underpins the delivery of excellent fresh produce market services. The Enterprise Performance Management Framework is a framework of strategies, plans, policies, indicators and measures that enable JM's performance to be effectively and efficiently monitored in an open and transparent way.

It is believed that the figure below captures the elements of enterprise performance which will assist in securing a culture of performance in the company.

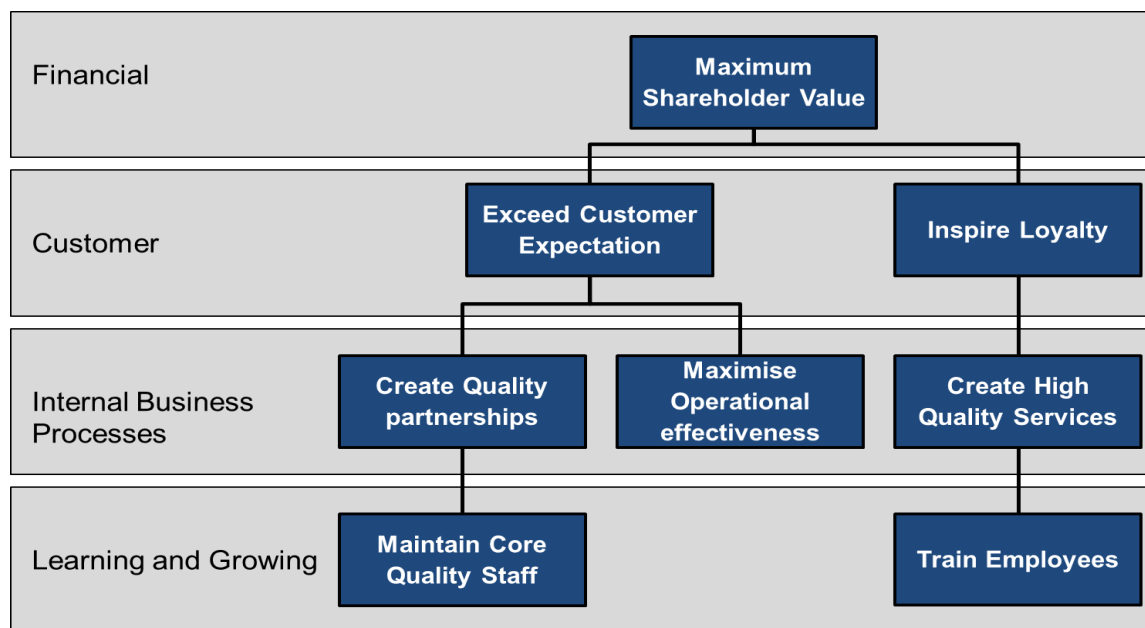


Figure 5: Elements of enterprise performance

As can be seen in the figure above, the four main drivers of performance will be financial, customer, internal business processes, and learning and growth. Each of these drivers has a set of aspirational goals associated with them, and it is envisioned that the drive to achieve these goals will instil a culture of performance in the organisation. The goals for each of the drivers are as follows:

- Financial
 - Maximise shareholder value
- Customer
 - Exceed customer expectations
 - Inspire loyalty
- Internal business processes
 - Create quality partnerships
 - Maximise operational effectiveness
 - Create high quality services
- Learning and growth
 - Maintain a core quality staff
 - Train employees

The company scorecard can be found in Annexure 1 of this document.

2.7 Service Level Agreement (SLA): City Manager and CEO

To further support service delivery the City Manager of CoJ has entered into a service level agreement with the CEO. The latter SLA provides service response parameters to ensure effective delivery of mission critical services. The details of the SLA can be found in Annexure 7 of this document.

2.8 Service Delivery Agreement

The plan of the company is to align the Service Delivery Agreement, CoJ and JM. Details around the Service Delivery Agreement can be found in Annexure 8 of this document.

3. Strategic Analysis

3.1 Past Performance Highlights

At the conclusion of the 2013/14 financial year, the company is able to report consistent growth in both its business activities, as well as an award received as *employer of choice*.

- Achieved record turnover in excess of R550 mil during the month of October 2013
- Sustained surplus levels in excess of budget
- Liquidity position significantly improved, cash growing from R78 mil to R86 mil
- Continued to grow revenue
- Sustained clean audit report for the third year in succession
- Implemented phase 1 of the business process re-engineering for SCM and Finance
- Introduced two new BEE Market Agents
- Finalised Market of the Future, Food Security and Transformation/BEE strategies
- New organisational structure designed and completed
- Increased number of donations to NGO's and beneficiaries by 3651% to 20 366;

3.2 Impediments

A number of challenges were faced during the 2013/14 financial year.

Challenges/Impediments

- Firstly the MotF and other Capex projects was delayed mainly through SCM capacity difficulties.
- In the latter regard training of SCM staff as well as professional advice to this magnitudinal project is being obtained to prevent any further undue delays.
- The entity continued to experience entry barriers to fast track the implementation of all the intended new emerging market agents.
- The introduction of a Transformation Strategy and associated policy was implemented to mitigate in this regard.
- The Transformation programme will also alleviate the access barriers other emerging participants in the fresh produce value chain are experiencing.
- The roll out of the intended Fresh Hubs was also delayed as a result of impediments caused in the logistics of the project.
- In mitigating the matter the Board has directed a re-evaluation of the Model and evaluation of a satellite market approach to replace the Fresh Hubs concept.

3.3 Industry Overview

3.3.1 Specific Features of the JM

The JM operates its trading system according to the central marketing concept. This system is also known as a producer driven market system. Buyers flock to JM and compete with each other for produce on offer. Supply and demand features determine prices in this competitive model.

Joburg Market 2015/2016 Business Plan

Should a dispute arise between buyer and seller (agent), the CEO of the Market is empowered to act as “referee” between the parties.

Producers supplying to JM are also protected by a fidelity fund system. Should an agent fail to compensate a producer, such producers will be covered by the fidelity fund. Perhaps one of the most important competitive features of the trading system is the quick returns producers enjoy, improving cash flows and enabling production.

Alternative channels are known to bargain for prolonged periods of payment, but at JM a producer is remunerated within one week. With such payment, the producer obtains a full history of the traded consignment he entrusted to an agent.

JM remains the barometer for fresh produce prices. This fact is underpinned by the thousands of visitors to the JM website, from which price trends are obtained.

As a regional market, JM serves buyers from SADC destinations such as Botswana, Mozambique and, to a limited extent, Angola. From a domestic perspective, JM serves as an important winter season source of supply to the Western Cape. Continuous patronage for KwaZulu-Natal and the Free State also contribute towards JM’s growth.

Joburg Market has been growing at a faster rate than its counterparts, and it is expected that this trend will be greatly enhanced through the implementation of the MotF.

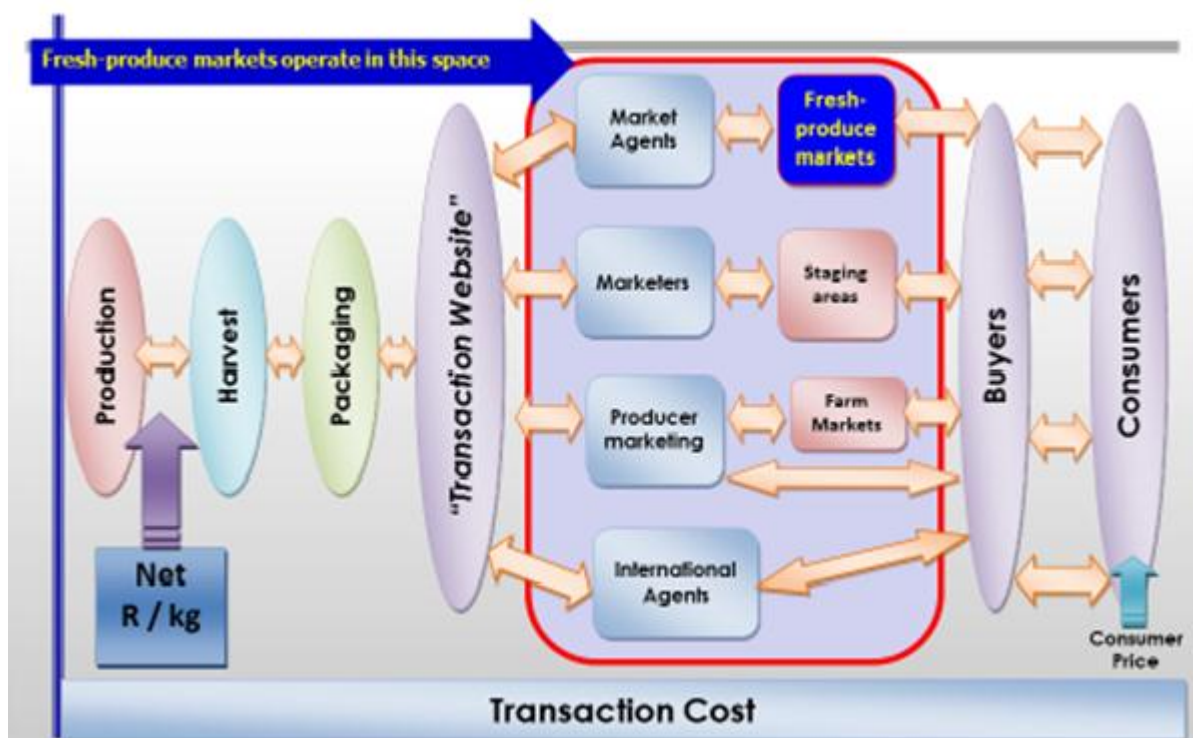


Figure 6: The distribution value chain

3.3.2 Producers

Producers operate amongst other farm pack houses from where produce is placed in the logistical system, and is traded directly to buyers or sent to fresh produce markets. Supplemented by cold storage facilities, producers ensure that the cold chain is maintained.

If the producer does not possess sufficient cold storage facilities, off-farm facilities such as pack houses with packaging and cold storage facilities can be developed to serve numerous producers. A good example of this is the Vhembe project, in which JM is involved, which enables BEE producers to participate in the availability of such facilities.

Since farmers are able to grade their produce with great accuracy they are able to utilise drying and juicing facilities to process small and blemished fruits. Processing plants have emerged in many areas, and modern techniques and equipment have now made it possible to introduce such practices at BEE operated centres. JM will, in the latter regard, continue to investigate opportunities for the target group.

Retail distribution centres are optimising their capacities to deal with dry goods. Due to the specialisation required in dealing with the more than 120 types of fresh produce, which is packed and graded in several thousands of options, retail chain groups have expressed an interest in utilising the premium hall (MotF) planned for JM.

Whether dispatched from drying facilities, processing plants, retail chain warehouses or JM, exported produce requires proper planning and support systems. This includes computerised trading and documentation, containerisation, statutory inspection, and many more. As a service provider, Joburg Market regards exports as an important source of growth.

A new dynamic in fresh produce marketing emerged as the past two years. Farmers, agents and traders are also pursuing the conclusion of certain transactions within a virtual trading approach where web based trading is now emerging.

In mitigation JM has developed a similar system which is currently dormant in a balance of further work to be done in this regard. Figure 6 above indicates this regard. Figure 6 above indicates the position of this phenomenon in the distribution system.

3.3.3 Market Agents

Market agents act on behalf of the producer and operate freely on the market floor. The market agents trade according to the provisions of the Agricultural Produce Agents Act (No. 12 of 1992). A market agent renders marketing advice and services to the producers. The agent is responsible for payment, via a trust account, to the producer for fresh produce sold. The market agent is in turn remunerated by the producers on an *ad valorem* basis, which may be up to 7.5% of the gross value of the produce sold.

With regards to buyers, i.e. retailers, wholesalers and exporters, market agents ensure suitable quantity, and adequate and consistent supply of produce is available for each of the buyer categories. In addition, agents assist with the loading of bulk purchases.

JM provides floor space for trading, access to computer trading systems, and the facilitation of payment from sales returns. Trading data are also made available to agents for the producers. They also receive office space as well as complementary services such as cold storage, ripening facilities and quality assurance.

During the past five years, JM has facilitated the introduction of BEE market agents on the trading floor. JM intends to implement programmes that will consolidate the position of the BEE market agents through a BEE market agent support policy.

3.3.4 Industry Trends

JM serves as a key price barometer for fresh produce in South Africa. One of the important salient features of JM is that it serves buyers across the entire spectrum and similarly producers of all sizes across RSA, SADC and certain international destinations.

As intermediary in the distribution channel for fresh produce numerous service providers render those services, which enable successful logistical tasking to ensure that produce is not damaged or degraded from its shelf life which enable the consumer to have access to good quality and nutritious fresh fruit and vegetables.

To be successful JM renders services and maintain close contact with the daily operations of its fellow intermediary institutions.

Food security is a key theme in the role JM is playing in the distribution channel. Over the course of the year, fresh produce supply was substantially affected by regional incidents such as frost and hail damages. The results are observable from the graphs below:

Graph 1: Year-on-year percentage change for different food categories (October 2013 – October 2014)

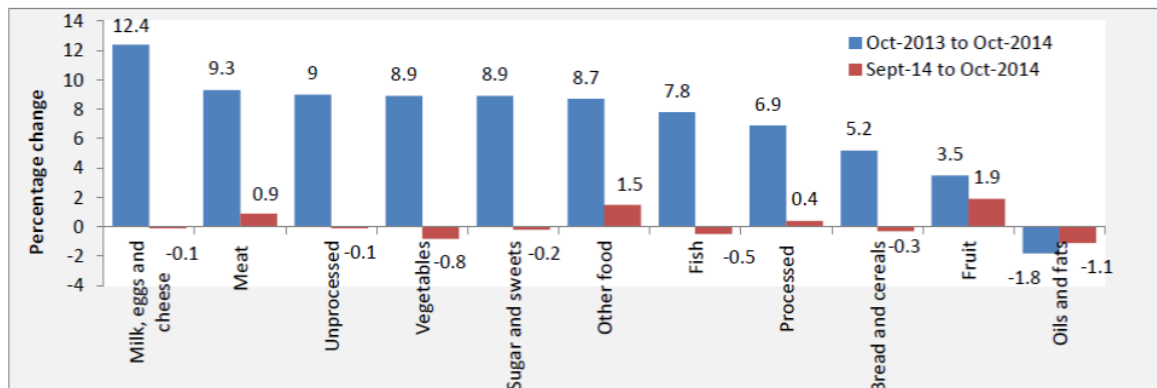


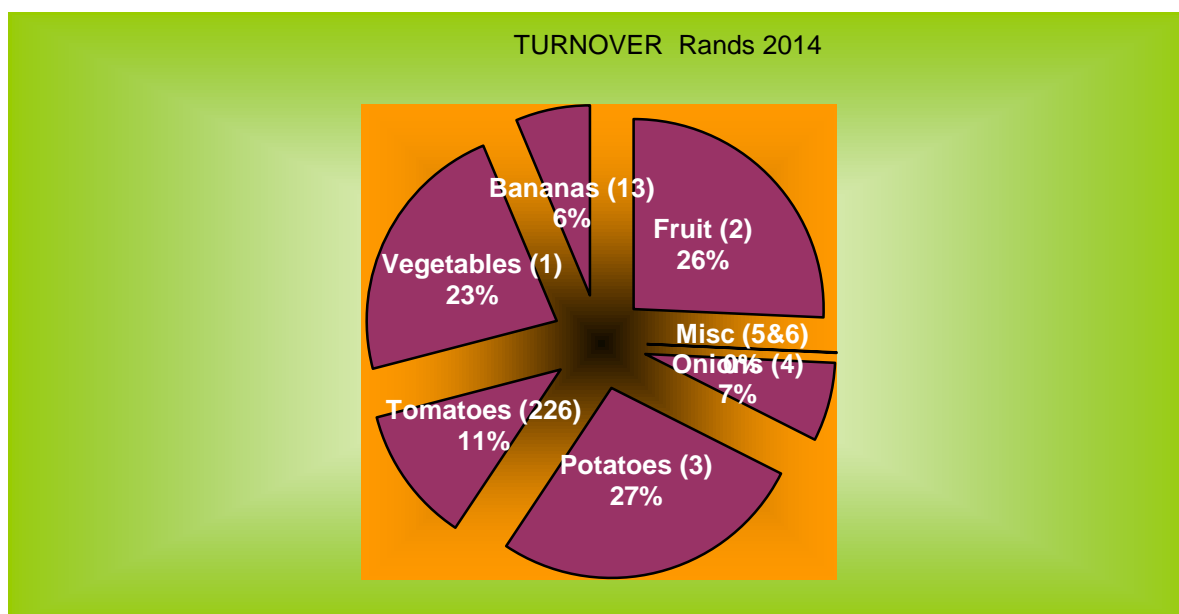
Figure 2: Year-on-year percentage change for different food categories (October 2013 – October 2014)
Source: Stats SA, 2014

The following components in the food and non-alcoholic beverages index increased: fruit (1.9%), other food (1.5%), meat (0.9%) and cold beverages (0.7%). The following components decreased: oils and fats (-1.1%), hot beverages (-1.0%), vegetables (-0.8%), fish (-0.5%), bread and cereals (-0.3%), sugar, sweets and desserts (-0.2%) and milk, eggs and cheese (-0.1%). (Source: Stats SA, October 2014)

The CPIX in vegetable dropped to -0.5 during 2014/15. This was mainly due to higher production levels.

In contrast the CPIX for fruit increased to 1.9 as a result of attractive international market opportunities.

Graph 2: Market share of commodities based on turnover October 2014



JM operates 3 trading halls consisting of a Potato hall, a Vegetable hall and a Fruit hall. The portfolios for each commodity is well balanced which ensures that a wide assortment of produce is available to all buyer groups.

JM will therefore continue to position itself as regional central marketing facility able to serve all role-players across the fresh produce industry spectrum.

3.4 Contextual Analysis

Joburg Market remains the biggest fresh produce market in South Africa, with approximately 40% of the market share amongst fresh produce markets. Due to the large number of producers and buyers frequenting the JM, it also serves as a barometer for fresh produce prices. Joburg Market receives a 5% commission on all fresh produce sold at the market.

The recent global financial meltdown has had an obvious impact on the agricultural industry. In particular, the capacity of producers to cultivate profitably has been affected by higher input costs and a lack of access to credit facilities, thus constraining the acquisition of production means. As a consequence, the lower production of produce may lead to relatively higher prices, as the market is supply constrained. As only certain industry branches are co-ordinating production and marketing, it is foreseen that those industries operating outside the ambit of co-ordination practises may experience substantial volatility in prices due to variation in supply levels across marketing seasons.

Technologies to ensure food safety compliance have made a quantum leap. Internationally, “food scares” have placed consumerism in a new context. Traceability¹ from seed to plate is finally achievable, and global positioning systems linked to registration protocols have enabled clients globally to evaluate compliance. In agriculture, the orchard, pack house, transporters,

¹ Traceability is defined as follows: the ability to trace and follow a food product or substance intended to be or expected to be incorporated into a food product through all stages of production, packing, processing and distribution. (EU Food Safety Law (EC) 178/2002)

cold store, market and warehouse, inclusive of its employees, can be linked to each facility and activity.

In policing produce standards and traceability, the Consumer Protection Act needs to be considered. The Consumer Goods Counsel traceability projects office indicated the following challenges for the wider fresh produce industry:

- Most small-scale farmers don't know what records they are expected to keep;
- The pressures to comply will continue to increase;
- Accurate information from sources is also one of the main challenges; and
- The requirements are not made any easier for the small entrepreneurs.

With respect to "food business operators", the following is required:

- Collect [relevant] data and keep records for planning and as evidence of actions taken;
- Satisfy requirements for traceability;
- Meet demands of different industries and markets;
- Share information with trading partners; and
- Access records quickly if there are queries.

The JM has therefore introduced the MotF. This "new" facility will ensure that produce is tested for consumption suitability as well as making available optimal storage facilities, such as cold storage rooms. In addition, the grading of produce will allow for standardisation of produce classes which allows for a more real-time (online) trading platform and hence more transparent price discovery.

As the JM depends on commission as its primary source of income, the development of the vacant land at the market will allow for diversification of JM's income stream. In addition, it is envisaged that businesses that directly support the core business of JM, such as agro processing, will comprise a major part of the tenant mix.

Table 2: Contextual analysis

Political	Economic
<ul style="list-style-type: none"> - Governmental policies <ul style="list-style-type: none"> o Land reform and agri BEE code - Anti-trust activities by stakeholders <ul style="list-style-type: none"> o Nasrec Alternative market strategies o Collusion by role-players - Foreign Market Risks <ul style="list-style-type: none"> o Trading in foreign countries by JM clients and governmental support systems o Border and customs delays 	<ul style="list-style-type: none"> - National Economy in recovery phase hence consumers will spend mostly on staples (Potatoes/Onions/Tomatoes) - Higher than consumer price index (CPI) inflation for food; - Higher than expected inflation; - Decrease in agricultural employment - Volatile supply of fresh produce such as potatoes, onions and tomatoes; - Increase in demand for staples such as potatoes and apples. - Increase in demand for full spectrum of quality fruits.
Social	Technological
<ul style="list-style-type: none"> - Healthy eating habits <ul style="list-style-type: none"> o Affluent and middle income consumers will spend more on prepared produce - Increase urbanisation leading to inward migration to Johannesburg; - More woman and the youth will seek opportunities in the fresh produce industry - Increased consumer pressure on healthy and safe fresh produce commodities (New consumer protection act) - Movement to higher Living Standards Measure (LSM) groups resulting in changed food preferences; 	<ul style="list-style-type: none"> - Handling and storage of produce in line with international standards - Development of IT technology control measures - Increased expenditure on security measures. (Equipment with high technological content) - Development of JM site to link with City Deep renewal project. - Broadband and Wi-Fi-
Environmental	Legal
<ul style="list-style-type: none"> - Scarcity of land and water to sustain farming - Pressure from consumers for producers to adopt environmentally friendly farming methods - Pesticide and chemical residue control by producers 	<ul style="list-style-type: none"> - New agricultural legislation - Increased quality requirement as a result of Consumer Protection Act

3.5 SWOT Analysis

Table 3: SWOT analysis

	Strengths		Weaknesses	
	Internal	S1 –	Large physical facilities	W1 –
S2 –		Large vacant land	W2 –	Lack of Industry related services and facility demands
S3 –		Strong IT trading system	W3 –	Inadequate staff skills for MotF operations
S4 –		Expert staff	W4 –	Insufficient in-depth client data & research
S5 –		Strong supplier and buyer base	W5 –	Lack of Change and Culture Management
S6 –		Location in Gauteng	W6 –	Inefficient business processes
S7 –		Variety of produce Assortment		
	Opportunities		Threats	
	External	O1 –	Diversify income streams through available resources	T1 –
O2 –		Establishment of purpose designed trading academy	T2 –	Erosion of trading income (also during construction)
O3 –		Establish a credit facility for buyers linked to fidelity fund.	T3 –	Industry collusion to undermine licensing intervention
O4 –		Demographic opportunities with location advantages i.e. Johannesburg		Stakeholder perceptions regarding:
O5 –		SADC Growth opportunities to export into	T4 –	– MotF development
O6 –		Agro-business opportunities	T5 –	– Transformation/BEE programme
O7 –		Virtual Trading Platforms	T6 –	Climate change and decreased food production
O8 –		Loyalty Programme	T7 –	Traceability in the food value chain
O9 –		Accessing of available external funds to drive transformation/BEE (donors, DTI)	T8 –	Food Supply security
O10 –		Alternate forms of energy		

3.6 Strategic Responses

Table 4: JM Strategic responses

JM is a Company...	Solution and Response	Reference page numbers
Possessing large facilities but which are ageing and in need of maintenance	<ul style="list-style-type: none"> Introduce a premium hall (MotF) Preventative maintenance plan 	<ul style="list-style-type: none"> P 11, 41, 43, 44, 45, 47, 52, 53, 66, 70, 78
Possessing substantial vacant land but experience a shortage of development capital	<ul style="list-style-type: none"> Introduce Sweating of the Asset project Develop food security initiatives 	<ul style="list-style-type: none"> P 13, 14, 41, 47, 52, 53, 56, 70, 80, 81, 96, 98, 99
Possessing an unique real time IT trading system but facing competition from virtual market developers	<ul style="list-style-type: none"> Facility agreements with users Develop new IT phases for trading Management relationships through a licencing system 	<ul style="list-style-type: none"> P 13, 44, 45, 47, 75, 84
Possessing a strong buyer and supplier base but experience alternative market initiatives (i.e. the vital trading platform developed by industry players aiming at eroding its base)	<ul style="list-style-type: none"> Protocols with producers/buyers Develop refined client data base and research Taking the Market to the people through distribution centres 	<ul style="list-style-type: none"> P 13, 16, 18, 31, 42, 67, 72, 81, 84, 98
Possessing executive skills but faces loss of skilled executives and senior managers to competitors	<ul style="list-style-type: none"> Introduce longer term executive development and planning Introduce a shared training academy in partnership with CoJ functionaries 	<ul style="list-style-type: none"> P 14, 48, 60, 61, 63, 64, 71, 79, 82, 83, 92
Possessing a strong core of producers and buyers but lack suitable credit facilities and related systems to serve them	<ul style="list-style-type: none"> Introduce a credit facility and fidelity system also in support of the services to be provided with MotF 	<ul style="list-style-type: none"> P 73, 75, 114,
Possessing programmes to aid emerging market agents, producers and entrepreneurs but the market share of all remains static	<ul style="list-style-type: none"> Adjust the transformation/BEE programme to attract partnerships across the value chain in a creative programme 	<ul style="list-style-type: none"> P 13, 42, 66, 71, 73, 76, 77, 78, 79, 92, 93, 94, 95, 98

3.7 Service Levels

The rendering of JM services to its various stakeholders is measured through satisfaction indexes which are compiled each year through independent research. During the 2013/14 the company obtained a consolidated index of 44.8. This index falls short by 5.2 index points from.

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As part of its MotF developmental interventions, JM is striving towards *world class*, which requires an index score of at least 60.

The Board of Directors also engage independently with stakeholders to ascertain the level of services rendered. The company is appreciative of the quest to consistently improve on service levels. For this, a stakeholder support action schedule was drafted and each executive manager takes responsibility for delivery on agreed upon actions.

3.8 Stakeholder Analysis

JM has a diverse stakeholder profile, and has 7 stakeholder groupings in its operating space.

Table 5: JM stakeholders

No	Group	Functional relation	Principal involvement
A. Governance			
1	CoJ	Governance Shareholder	Sole owners of the JM
2	Board of Directors	Governance of JM	Governs JM in terms of SDA
3	DED	Lead Department	Administrative link to CoJ
B. Company			
1	Staff	Employees of JM	Managers and employees
2	Unions	Trade Unions	SAMWU / IMATU
3	EPWP	Job creation	Extended Public Works Programme
C. Core Business			
1	Farmers	Production of produce	Supply JM from across RSA
2	Transporters	Logistics – Farm to Market	Private contractors
3	Market agents	Conducts actual selling of produce at JM	Private institutions
4	Commercial Buyers	Buying of produce at JM	Distribute and process fresh produce
5	Informal sector buyer	Informal traders	Intensive distribution in various areas
D. Markets at JM			
1	Mandela Market	Traders at JM site established through empowerment programmes	Stall markets on JM site
2	Unity Market		
E. Apron services at JM site			
		<ul style="list-style-type: none"> – Pallet runners – Porters – Bakkie operators – Cooking “mamma’s” – Recyclers 	Rendering of support services to traders on market for own account
F. Tenants			
		<ul style="list-style-type: none"> – Food distributors – Processors – Meat/fish traders – Soft drinks 	Rendering services enabling clientele to utilise JM site as “one stop” shopping centre

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No	Group	Functional relation	Principal involvement
		– General hospitality producers	
G. Financial services			
		Banks	Servicing buyers on JM to conduct transactions
H. Suppliers			
		Multiple services rendered at JM site	– Cleansing – Security – Waste disposal

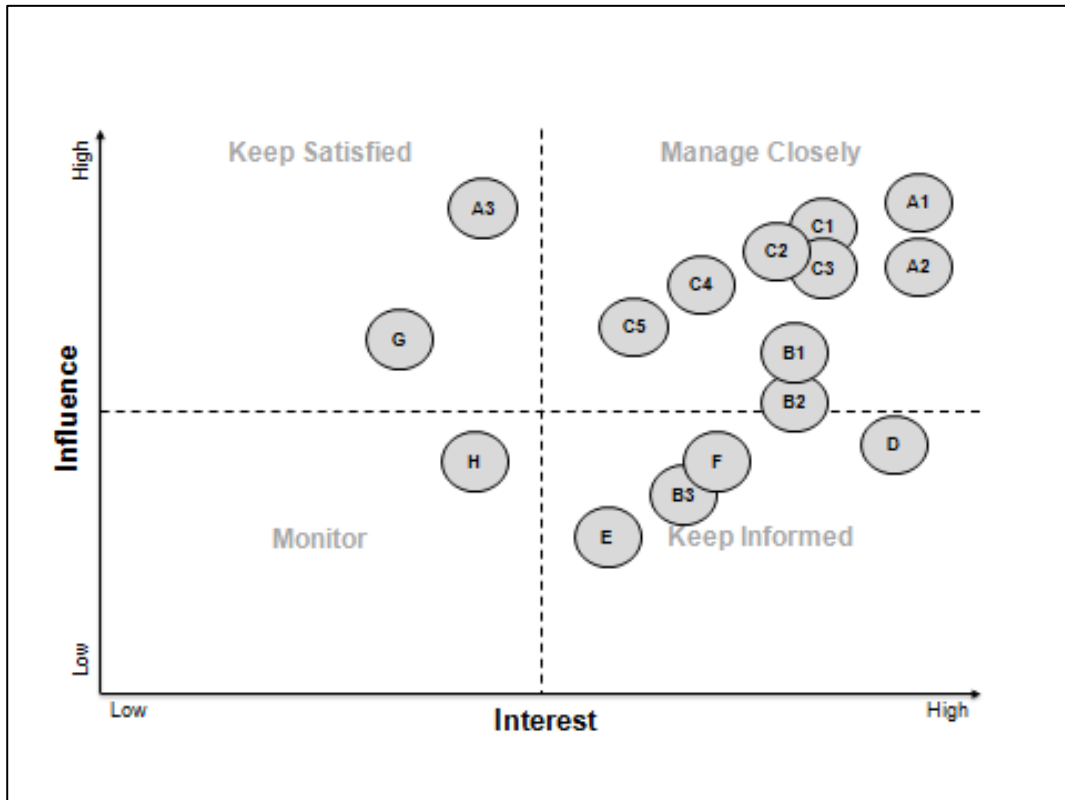


Figure 7: Stakeholder Influence/Interest matrix

Table 6: Potential actions/outcomes per stakeholder group

Stakeholders	Description	Potential actions/outcomes
H	Monitor	<ul style="list-style-type: none"> • Inform via general communications: newsletters, website, mail, etc. • Aim to move into 'Keep Informed' group
B3, D, E, F	Keep Informed	<ul style="list-style-type: none"> • Make use of interest through involvement in low risk areas • Keep informed and consult on interest areas • These stakeholders could be potential supporters/goodwill ambassadors
A3, G	Keep Satisfied	<ul style="list-style-type: none"> • Engage and consult on interest areas • Try to increase level of interest, aim to move into 'Manage Closely' group
A1, A2, B1, B2, C1, C2, C3, C4, C5	Manage Closely	<ul style="list-style-type: none"> • Focus efforts on this group • Involve in governance/decision making bodies • Engage and consult regularly

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4. 2014/2015 Implementation and Performance Overview

Key Priority of CoJ	GDS Outcomes	Long term impact (Joburg 2040 related output)	IDP programme	Key Performance Indicator (2013/16)	Target (2013/16)	Measurement Unit	Baseline (2013/14)	Target 2013/14 financial year	Target 2014/15 financial year	Target 2015/16 financial year	2015/16 Budget (per programme)		2015/16 target (Tangible, measurable targets that fulfil requirements of being SMART)			
											Capex	Opex	Q1	Q2	Q3	Q4
											Agriculture and Food Security	A high performing metropolitan Government that proactively contributes to and builds a sustainable, socially inclusive, locally integrated and globally competitive Gauteng City Region	Food security that is both improved and safe-guarded	Sector diversification through support for emerging and new sectors and retention of competitive economic sectors. Ensure a continuous and adequate supply of suitable quality fresh produce at reasonable prices (Food Security) IDP Sub Programme: Leveraging of City owned assets	No. of construction phases of MotF	Complete and roll-out MotF
BEE, SMME and Entrepreneurship Development and Support	An inclusive, job-intensive, resilient and competitive economy that harnesses the potential of citizens	Promotion and support to small businesses	Transformation programme: Ensure greater inclusion of previously disadvantaged groups and individuals across the agricultural value chain Sub Programme: Provide targeted groups with access to commercial and industrial property through the development of vacant land. IDP Sub Programme: Leveraging of City	No. of access plans for emerging producers to JM programmes (producers = farmers)	Complete Master plan for JM	Amount spent	Scoping of study	EIA concluded and approved	Produce alternative energy and value economy study	With the view to support disadvantaged participants	R1.6M	R2M	Phase 1 – energy management assessment and blue economy	Phase 1 – complete energy study and blue economy	Phase 2 – conduct alternative energy and blue economy feasibility study	Phase 3 – conduct business plan for alternative energy study and blue economy

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Key Priority of CoJ	GDS Outcomes	Long term impact (Joburg 2040 related output)	IDP programme	Key Performance Indicator (2013/16)	Target (2013/16)	Measurement Unit	Baseline (2013/14)	Target 2013/14 financial year	Target 2014/15 financial year	Target 2015/16 financial year	2015/16 Budget (per programme)		2015/16 target (Tangible, measurable targets that fulfil requirements of being SMART)			
											Capex	Opex	Q1	Q2	Q3	Q4
			owned assets													
BEE, SMME and Entrepreneurial Development and Support	Improved quality of life and development driven resilience for all	Food security that is both improved and safeguarded	Facilitating enterprise development and support through capacity development, strategic procurements and access to finance for small, micro and medium enterprises (SMME's), including co-operatives. Catalyse support and opportunities for BBBEE/SMME through creative public/private partnerships IDP Sub Programme Target deprived spaces	Fresh hubs in PDH's) in PDA's (Previously disadvantaged areas)	12 Units	Number of Units	4	4	1 distribution centre	2 distribution centers	R2M	R300K	Tender specifications and Identification of sites	Sites preparation and services installed	Training of beneficiaries and supplier contracts	Establish Units and go live
BEE, SMME and Entrepreneurial Development and Support	An inclusive, job-intensive, resilient and competitive economy that harnesses the potential of citizens	Promotion and support to small businesses	IDP Programme: Facilitating enterprise development and support through capacity development, strategic procurements and access to finance for small, micro and medium enterprises (SMME's) including co-operatives IDP Sub Programme: Sector diversification, productivity and	Increase number of emerging market agents	3 Agencies	Number	6	3	3	3	R0M	R2.5M	Call for registration of interest	Preparation of floor space and systems support	Screening of applicants and training	Establish new candidates

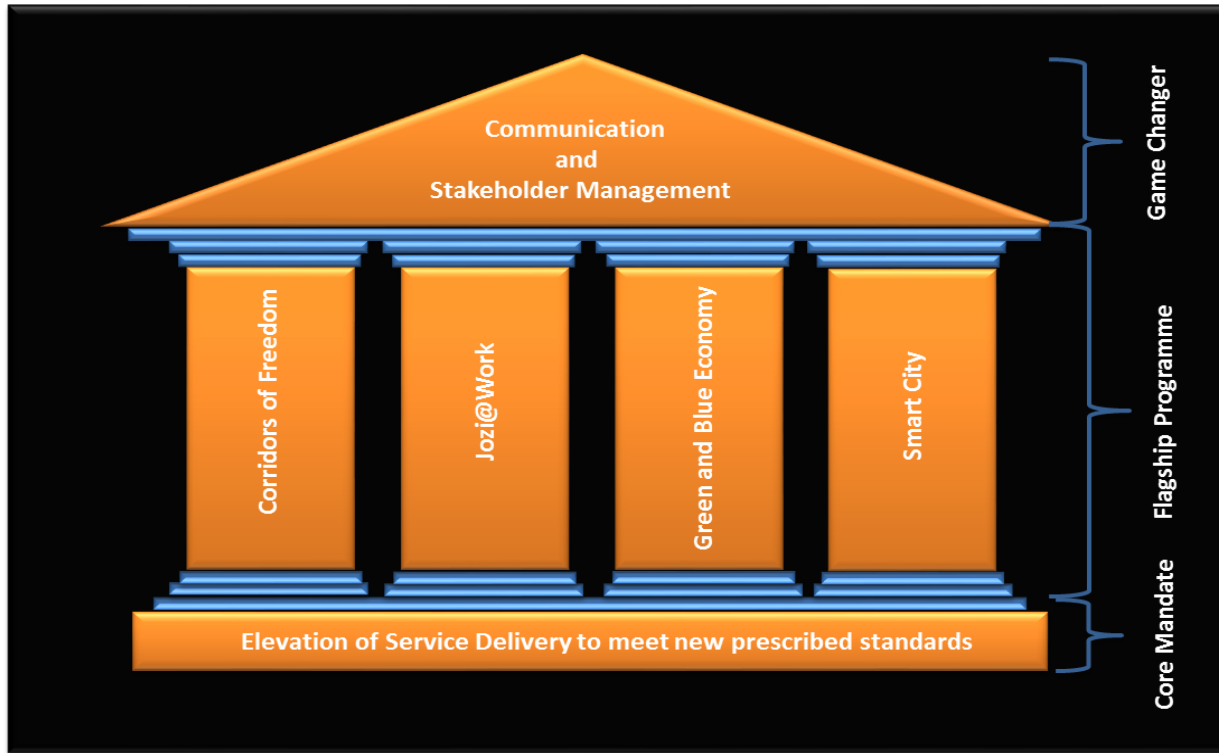
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Key Priority of CoJ	GDS Outcomes	Long term impact (Joburg 2040 related output)	IDP programme	Key Performance Indicator (2013/16)	Target (2013/16)	Measurement Unit	Baseline (2013/14)	Target 2013/14 financial year	Target 2014/15 financial year	Target 2015/16 financial year	2015/16 Budget (per programme)		2015/16 target (Tangible, measurable targets that fulfil requirements of being SMART)			
											Capex	Opex	Q1	Q2	Q3	Q4
			competitiveness support													
Green economy	Provide a resilient, liveable, sustainable urban environment underpinned by infrastructure supportive of a low carbon economy	A responsive, accountable, efficient and productive metropolitan government	IDP Programme: Facilitating enterprise development and support through capacity development, strategic procurements and access to finance for small, micro and medium enterprises (SMME's) including co-operatives IDP Sub Programme: Develop a dynamic entrepreneurial spirit, competitiveness, innovation and increased investment	Hygiene management plan	1 X Fully food compliant hygiene practise plan	Number of plans	New	1 Plan	1 Plan	Implement revised hygiene plan towards full compliance with MotF "go live" phase	R800K	R0.5M	Field research on hygiene standards for food handling premises	Refinement of hygiene management strategy towards MotF	Commissioning of 1 site hygiene management system	Review of hygiene system for effectiveness

4. The Final Push

As municipal entity in the Economic Development Cluster of CoJ, JM will be co-delivering on the quest to achieve the objectives of The Final Push during 2015/16.

JM will therefore be focussing on Game Changer elements and Flagship Programmes and projects based on its core mandate.



4.1 Game Changers

Project	Action	Comment
MOTF	Roadshows/outbound & inbound	<ul style="list-style-type: none"> To raise awareness early

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MOTF	Develop an engagement plan as per Marketing & Communications plan	<ul style="list-style-type: none"> Promote regular MOTF meetings Implement monitoring & evaluation
* Distribution centres	City awareness and co-operation	<ul style="list-style-type: none"> Managing expectations
* Market Agents	<ul style="list-style-type: none"> Regular IMASA meeting Issue management (positive/negative) Provide feedback promptly 	<ul style="list-style-type: none"> Existing IMASA Forum Explore BEE Market Agents funding opportunities (investment)
Continental	<ul style="list-style-type: none"> Skills transfer Encourage exchange of out of season produce 	<ul style="list-style-type: none"> Operational buy-in Awareness on Africa agenda
Project	Action	Comment
* Farmers (big/small)	<ul style="list-style-type: none"> Outreach programmes which encourage in-bound visits to showcase JM skills base Encourage to produce quality JM 	<ul style="list-style-type: none"> No transformation No access strategy Funding for entrant farmer

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* Buyers (big/small)	<ul style="list-style-type: none"> • Regular contract with 20 top buyers • Collaborate with customer care 	<ul style="list-style-type: none"> • Source budget allocation • Improve customer care approach
City stakeholder- COJ	Mayor & MMC: Economic development	Constant appraisal of JM processes/ opportunities

4.2 Flagship programmes

JM believes that the programmes and projects as outlined in the table below will deliver the desired outcomes:

jozi@work (Type of work)	JM Focus area	Programmes
Construction & Maintenance Services: construction and repair of buildings and facilities	Enterprise development: SMME's and Cooperatives (youth & women owned) to construct, repair and maintain buildings and facilities	<ul style="list-style-type: none"> •CAPEX/OPEX Construction and Maintenance Projects •Pallet pool runners •Skills & competency development •Preferential procurement (30%)
Agriculture & Food Resilience: Agriculture and food support	<ul style="list-style-type: none"> • Enterprise Development: Attract Cooperatives of women and youth • Food Security 	<ul style="list-style-type: none"> •Distribution Centres/ Fresh Hubs •Agri-business enterprises •Pack-house establishment •Business opportunities for Vendors/Hawkers

		<ul style="list-style-type: none"> •BBBEE Market Agents •Marketing support
<p>Waste: waste collection and waste separation.</p>	<p>Socio-economic development: Create employment for EPWP candidates.</p> <p>Enterprise development: Avail business opportunities to SMME's and Women & Youth Cooperatives.</p>	<ul style="list-style-type: none"> • Waste management • Green waste recycling • Preferential procurement <p><u>Jozi flour milling facility</u></p> <ul style="list-style-type: none"> • Seed collection • Fruit sorting
<p>Green Services: greening and landscaping, grass-cutting, planting and maintenance of turf.</p>	<p>Enterprise development: Promote the use of SMME's including Women and Youth Cooperatives as service providers.</p> <p>Socio-economic development: <i>Create employment for EPWP candidates.</i></p>	<ul style="list-style-type: none"> • Cleaning of Distribution Centres & JM facilities • Preferential procurement • Logistic services • Sanitation cleaning for cold stores and ripening centres • Establish Cooperatives for cleaning, construction and maintenance projects.
<p>▪ Business and urban management: cleaning and management of facilities.</p>		

4.2.2 Green and Blue economy initiatives

- The design of the Distribution Centres will incorporated green economy philosophies and will accelerate the deployment of related technologies.
- Joburg Market is also collaborating with Pikitup, Joburg Parks and COJ to harvest waste in support of the Bio-Gas Project being driven by the City

Whilst in the main contributing to promotion of healthy eating through local production of healthy bread, other socio-economic benefits are expected, viz;

- **Employment creation**
 - » Direct- Collection and sorting & Milling
 - » Indirect- Bakery - Transport and logistics

- **Clearing the market of refuse**
 - Cleaner market
 - Lower refuse collection and cleaning costs
- **Reduction of financial losses and increase revenue**
 - Selling of “deteriorated” produce for processing/value addition
- **Promotion of food security**
 - Access to food
- **Lowering risk of lifestyle health conditions**
 - Healthy eating
- **Local agro value chain enterprise development and promotion**
 - Township bakeries
 - Transport and logistics enterprises
 - Seeds and peel collection

 - Communication & Stakeholder engagement

4.2.3 Corridors of freedom

- The Alexandra Distribution Centre is part of the Louis Botha Corridor of Freedom initiative and the project will be positioned accordingly as part of this programme.
- In addition, the Market of the Future Project will also be integrated into the Turffontein Corridor of Freedom to leverage on infrastructural developments planned around the City Deep Area.
- Opportunities around the City Deep Inland Port Development will also be explored to integrate our projects at the market into the broader SIP-2 strategy

4.3 Other Day-to-Day Operations

Table: Day-to-Day Programmes

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Day-to-Day	Key Performance Indicator (2013/16)	Baseline (2014/15)	Target 2015/16 financial year	2015/16 Budget (per programme)		2015/16 target (Tangible, measurable targets that fulfil requirements of being SMART)			
				Capex	Opex	Q1	Q2	Q3	Q4
Marketing	Stakeholder engagement	25 Engagements	38 Engagements	-	R200K	Commence with external visits to producers (5)	Engage with internal stakeholders monthly (3)	Continue with external visits to producers (7)	Engage with internal and external stakeholders (12)
	Promotion of MotF Logo	New	4 Promotional events	-	R185K	Announcement and launch to internal stakeholders	Announcement and launch to internal stakeholders	Include MotF Logo printing matters	Prepare strategy for 2015/16 Logo promotions
Finance	Automation of finance processes in JDE system	SCM auto proposals in place	Automate 3 elements available in JDE	-	R750K	Test modules to 'go live' and train staff	Train users of departments and train secondary vision and pilot test	Go live on 3 elements	Test and control results of 3 elements and improve
Security	Refine site patrol and protection of perimeters and on site activities	Install movement detectors on boundaries	Improve security measures across the market of 64 hectors	R350K	-	Go live on detection equipment and train response teams	Replan patroller system and produce patrolling strategy	Database tendencies in perimeter violations and other crimes	Planing exercise to extend monitoring equipment
MotF task team action list	Operational action list for MotF construction phase	Engineering study	Co-ordination forum for all JM functions	-	-	Revise daily contingency plan for all functions of JM – Operations – Security	Dry run of potential scenarios	Roll-out of construction support activities	Continue with construction control support activities

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Day-to-Day	Key Performance Indicator (2013/16)	Baseline (2014/15)	Target 2015/16 financial year	2015/16 Budget (per programme)		2015/16 target (Tangible, measurable targets that fulfil requirements of being SMART)				
				Capex	Opex	Q1	Q2	Q3	Q4	
						<ul style="list-style-type: none"> - Maintenance - Property - Cashiers - IT 				
Repairs and Maintenance	Conduct focused maintenance outside MotF construction areas	Phase	Implement phase 2 maintenance project	R3M	R26.15M	Scope of work outside construction of MotF	Conduct set 1 of agreed maintenance plan	Conduct set 2 of agreed maintenance plan	Conduct set 3 of agreed maintenance works	

5. Risk Assessment

The MotF development faces 6 categories of risks which impacts on the development objectives pursued in this venture. The various risks in this regard are tabled below:

Specific business risks faced with the implementation of MotF and the associated transformation/BEE objectives.

Table 7: Business risks

No.	Risk category	Risk factor	Mitigation
1	Regulatory	Lack of codes to conform (Not all participants are affected parties in terms of Agri-BEE Act)	Develop a "Fresh Produce Market" code integrating BBBEE and Agri-BEE
2	Financial	Escalation costs in developing MotF	Refine planning and define initial standards for MotF
		Transactional costs: JM is still pinned down to 5% Market Due norm	Identify value added services and for options in MotF
3	Technical	New Market facilities and methodology of operations will require skills to operate in compliance governed trading areas	Skills audit and exposure training for critical services and positions
4	Market risks	Possible revitalisation of NASREC Market and intensified e-trading	Marketing of key MotF advantages to producers and buyers
5	Reputational	Stakeholder perceptions of JM after launch of MotF: <ul style="list-style-type: none"> - Costs - Service levels - Transformation/BEE programme 	Intensify JM communications to address stakeholder fears/uncertainties
6	Green Economy	Carbon tax lock in Possible inability to utilise or obtain credits after launch of MotF	Develop a refined green economy strategy for JM
7	Blue Economy	Inability to translate blue economy projects into sustainable return for targeted groups	Refined study and piloting of projects to find optimum blue economy solutions

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Ranking	Mayoral Priority Implementation Programmes (PIPS)	City Top risks	MOE Strategic Objectives	Risk Category	Risk Description	Root causes	Consequence of the risk	Key Risk Indicators	Impact	Likelihood	Inherent Risk	Current controls	Control Effectiveness	Residual risk	Impact	Likelihood	Risk Owner	Actions to improve management of the risk	Action Owner	Time scale					
1	Investment attraction, retention & expansion		Optimisation and Growth of Core Function	Process	Business interruption	Power outage at the Market Water supply disruptions Industrial action Physical risks Environmental hazards(ammonia plant) Cash heists Transportation of hazardous products within the Market Political unrest	Loss of revenue Harm to reputation Increase in insurance claims Possible loss of life or injury Possible damage to infrastructure resulting in increased cost Down time of the market resulting in dissatisfied customers and increased pressure from stakeholders		Catastrophic	5	Almost Certain	5	25	Extreme	Onsite UPS and generators (quarterly testing of generators) Labour agreements and monthly meetings with labour forums Evacuation plans Fire suppression systems and fire extinguishers which are serviced yearly Maintenance plans Onsite armed security with CCTV, drop safes, and the utilisation of a cash in transit company Market by-laws regulating transportation of products into the market	Fair	0.75	High	19	5	3.75	Chief Executive Officer	1. Installation of generators (lead time; commission and testing) 2. Continuous maintenance and monitoring 3. Three year preventative maintenance program	1. Josiah Mazibuko 2. Josiah Mazibuko & Sanjay Dubru 3. Josiah Mazibuko	1. Jun 2015 2. Quarterly 3. Aug 15
2	Smart City	Non compliance to regulation, policies and procedures	Good Governance (Legal and Regulatory Compliance)	Regulatory	Non-compliance to legislation	Lack of knowledge and understanding of applicable legislation Consistency of application of compliance Complexity of current legislation Current capacity within departments to comply with legislation	Possible litigation, fines and penalties resulting in a financial loss Possible loss of life or injury on duty Possible closure of the Market Loss of fresh produce supply Possible audit qualification Harm to reputation		Catastrophic	5	Almost Certain	5	25	Extreme	All encompassing legislative universe Reporting of compliance breaches Subscription to the University of Pretoria legal database Legal department providing guidance and interpretation Compliance objectives included in individual senior management scorecards	Fair	0.75	High	19	5	3.75	Chief Executive Officer	1. Enforcement of the Market By-laws 2. Develop Risk Universe of JM	1. Ncaphayi Diko/ Sanjay Dubru 2. Jacqueline Mabaso	1. Oct 15 2. June 15

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Ranking	Mayoral Priority Implementation Programmes (PIPS)	City Top risks	MOE Strategic Objectives	Risk Category	Risk Description	Root causes	Consequence of the risk	Key Risk Indicators	Impact	Likelihood	Inherent Risk	Current controls	Control Effectiveness	Residual risk	Impact	Likelihood	Risk Owner	Actions to improve management of the risk	Action Owner	Time scale			
3	Investment attraction, retention & expansion	Poor asset management and ageing infrastructure	Optimisation and Growth of Core Function	Process	Ageing infrastructure	<p>Legacy factor</p> <p>Lack of re-investment into infrastructure</p> <p>Continuously changing industry requirements for infrastructure</p> <p>Weak linkages in the supply chain value process</p> <p>Inherent structure of infrastructure (roof structure)</p> <p>Failure to build technical skills within Infrastructure</p>	<p>Inability to keep up with industry requirements</p> <p>Possible non-compliance resulting in possible injuries, loss of life, loss of income, penalties, fines and litigation</p> <p>Increase in insurance claims resulting in financial loss</p> <p>Harm to reputation</p> <p>Possible reduction in supply of fresh produce and corresponding loss of revenue</p>		Catastrophic	5	Almost Certain	5	25	<p>Approved CAPEX and OPEX budget with spend monitoring</p> <p>Appointed independent contractor for maintenance requirements</p> <p>Implementation of preventative maintenance plans</p> <p>Early implementation of the MoTF project plan</p>	Fair	0.75	19	5	3.75	Chief Executive Officer	<p>1. New Entrance & Exit gates upgrade</p> <p>2. Develop a preventative maintenance plan</p> <p>3. Review the SCM systems and procedure</p>	<p>1. Josiah Mazibuko</p> <p>2. Josiah Mazibuko</p> <p>3. Bafana Dhlamini</p>	<p>1. Mar 15</p> <p>2. Dec 15</p> <p>3. Oct 15</p>
4			Optimisation and Growth of Core Function	Management Information	Inadequate security and management of information	<p>Lack of a integrated information management system</p> <p>Lack of knowledge management control</p> <p>Non-adherence to minimum information security standards</p> <p>Lack of classification system</p>	<p>Loss of data</p> <p>Poor integrity of information</p> <p>Possible breach of security</p> <p>Possible non-compliance to legislation resulting in litigation, fines and penalties</p> <p>Lack of substantial information in cases of investigations</p>		Catastrophic	5	Likely	4	20	<p>Implemented IT Governance Framework</p>	Poor	1.00	20	5	4	Chief Executive Officer	<p>1. Create a centralised physical registry</p>	1. Billy Vorster	1. Dec 15

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Ranking	Mayoral Priority Implementation Programmes (PIPS)	City Top risks	MOE Strategic Objectives	Risk Category	Risk Description	Root causes	Consequence of the risk	Key Risk Indicators	Impact	Likelihood	Inherent Risk	Current controls	Control Effectiveness	Residual risk	Impact	Likelihood	Risk Owner	Actions to improve management of the risk	Action Owner	Time scale		
5	Investment attraction, retention & expansion	Lack of competitiveness to ensure the City's economic growth	Optimisation and Growth of Core Function	External Environment	Reduced supply of produce	Inclement weather patterns Alternative channels of distribution for fresh produce Change of farmers perception/ mind-set of the Market Diseases affecting crop size Labour unrest (both internal and external) Lack of offset market External factors driving the market Climate change	Loss of revenue Loss of relevance of the Market (reputational damage) Inability to meet set strategic and operational objectives Dissatisfied stakeholders		Major	4	Almost Certain	5	20	Extreme	0.75	15	4	3.75	Chief Executive Officer	1. Implementation of the MotF project. 2. Upgrade the facility, apply food safety measures, maintain complementary service, improve quality and stakeholder visits 3. Increased marketing & communication campaigns and projects	1. Josiah Mazibuko/ Marius Pieters 2. Charles Park 3. Hope Mabaso	1. Quarterly 2. Quarterly 3. Quarterly

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Ranking	Mayoral Priority Implementation Programmes (PIPS)	City Top risks	MOE Strategic Objectives	Risk Category	Risk Description	Root causes	Consequence of the risk	Key Risk Indicators	Impact	Likelihood	Inherent Risk	Current controls	Control Effectiveness	Residual risk	Impact	Likelihood	Risk Owner	Actions to improve management of the risk	Action Owner	Time scale				
6	Agriculture and food security	Inability to meet the community expectations and demands	Food Security through Innovation	External Environment	Increasing demand for assistance in respect of food security (City and indigent groups)	Increasing poverty within the City Migration of workers to metropolitan municipal boundaries Increase in the unemployment rate within the municipal boundaries Increased cost of living	Unforeseen pressure on available resources Harm to reputation Inability to meet set strategic and operational objectives Increased pressure from stakeholders		Major	4	Almost Certain	5	20	Extreme	Approved and implemented food security strategy Available resources to support budgeted initiatives Foodbank initiative (household size parcels for delivery by approved NGO's and distribution centres) Collaboration with COJ department and MOE food security initiatives Limited donations from agents	Fair	0.75	15	4	3.75	Chief Executive Officer	1. Develop a food security policy	Tshifhiwa Madima; Boipelo Phale, Mpho Mukwevho	Sep-15
7	Smart City	Inadequate skills set due to inability to attract and manage talent	Skills Development	Human Capital	Lack of integrated HR management system	Absence of a comprehensive HR system Lack of a comprehensive set of policies and procedures Lack of implementation of policies and procedures	Non-compliance with excepted HR standards and norms Poor HR management Non-achievement of strategic objectives Operational inefficiencies		Major	4	Almost Certain	5	20	Extreme	Various elements of HR process under development Gap analysis of policies to be developed and tracked by REMCO Policy awareness workshops for approved HR policies and procedures Consultation with approval process of HR policies and procedures	Poor	1.00	20	4	5	Chief Executive Officer	Develop an integrated management system	Thuli Nkosi	Sep-15

Ranking	Mayoral Priority Implementation Programmes (PIPS)	City Top risks	MOE Strategic Objectives	Risk Category	Risk Description	Root causes	Consequence of the risk	Key Risk Indicators	Impact	Likelihood	Inherent Risk	Current controls	Control Effectiveness	Residual risk	Impact	Likelihood	Risk Owner	Actions to improve management of the risk	Action Owner	Time scale			
8	Smart City	Organisational and governance risks	Good Governance (Legal and Regulatory Compliance)	Process	Non-execution of resolutions of the Board	<p>Silo management within the Market</p> <p>Capacity constraints within management team</p> <p>Poor communication channels</p> <p>Non-existence of an institutionalised administrative system</p> <p>Lack of consequence</p>	<p>Possible interruption of business activities and delayed project implementations</p> <p>Increased pressure from the Board</p> <p>Poor governance processes within the Market</p>		Major	4	Likely	4	16	Monitoring of Board resolutions	Poor	1.00	16	4	4	Chief Executive Officer	<p>1. Amendments to performance contracts which will include the execution of board resolutions</p> <p>2. Implementation of disciplinary processes for non-execution of board resolutions</p>	<p>1. Thuli Nkosi</p> <p>2. Thuli Nkosi</p>	Aug-15

Ranking	Mayoral Priority Implementation Programmes (PIPS)	City Top risks	MOE Strategic Objectives	Risk Category	Risk Description	Root causes	Consequence of the risk	Key Risk Indicators	Impact	Likelihood	Inherent Risk	Current controls	Control Effectiveness	Residual risk	Impact	Likelihood	Risk Owner	Actions to improve management of the risk	Action Owner	Time scale		
9	Smart City	Inadequate skills set due to inability to attract and manage talent	Skills Development	Human Capital	Attraction and retention of competent staff	Unique core environment Stressful working environment Conflicting business practices High turnover of executive management Reluctance to embrace new structure Lack of adequate performance management Inadequate management of current skills set Ineffective recruitment process	Institutional memory loss Increased pressure in existing employees Low staff morale Loss of staff Negative impact on service delivery		Major	4	Likely	4	16	Fair	0.75	12	4	3	Chief Executive Officer	Revise recruitment and retention policies	Thuli	Sep-15

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Ranking	Mayoral Priority Implementation Programmes (PIPS)	City Top risks	MOE Strategic Objectives	Risk Category	Risk Description	Root causes	Consequence of the risk	Key Risk Indicators	Impact	Likelihood	Inherent Risk	Current controls	Control Effectiveness	Residual risk	Impact	Likelihood	Risk Owner	Actions to improve management of the risk	Action Owner	Time scale				
10	Smart City	Theft, fraud, bribery and corruption	Diversification of Revenue	Integrity	Fraud and corruption	Inadequate resources Lack of enforcement of policies Greed, need and opportunity Lack of definition and understanding of conflict of interest	Possible financial loss Possible audit qualification Harm to reputation Increased pressure from stakeholders		Major	4	Likely	4	16	High	16	Good	0.40	6.4	4	1.6	Chief Executive Officer	1. Development of conflict of interest policy and procedures (definition of what a conflict is) with the necessary awareness sessions 2. Induction and Training on Policies	1. Social and Ethics Committee 2. Internal Audit/Diko/Thuli Nkosi	1. Oct 15 2. Annually
11	Investment attraction, retention & expansion	Lack of competitiveness to ensure the City's economic growth	Optimisation and Growth of Core Function	Process	Inappropriate systems and processes to support and align current and future operations	Lack of standardised processes Inadequate training of employees Continuously changing complexity of the business	Lengthy decision making processes Operational inefficiencies resulting in possible financial loss Poor service delivery to customers Slow turn around time Slow spend of financial resources resulting in objectives not being met		Moderate	3	Almost Certain	5	15	High	15	Fair	0.75	11	3	3.75	Chief Executive Officer	1. Implementation of training intervention and awareness sessions for all approved policies and procedures	Thuli Nkosi	Quarterly

Joburg Market 2015/2016 Business Plan

Ranking	Mayoral Priority Implementation Programmes (PIPS)	City Top risks	MOE Strategic Objectives	Risk Category	Risk Description	Root causes	Consequence of the risk	Key Risk Indicators	Impact	Likelihood	Inherent Risk	Current controls	Control Effectiveness	Residual risk	Impact	Like-likelihood	Risk Owner	Actions to improve management of the risk	Action Owner	Time scale			
12	Active and engaged Citizenry	Inadequate stakeholder engagement and relations management	Optimisation and Growth of Core Function	Process	Misalignment of business partners expectations (Farmers, agents, various buyers, tenants)	Partially implemented SLA and regulatory framework for business partners Lack of buy-in by business partners Different objectives of business partners Absence of a change management culture	Market not meeting expected service delivery standards Loss of business partners and supply of fresh produce Harmful to reputation Increased pressure on resources (financial)		Catastrophic	5	Possible	3	15	Business partner forums and discussions	Fair	0.75	11	5	2.25	Chief Executive Officer	1. Implementation of a bi-annual business partner survey 2. Stakeholder engagements (monthly)	1. Charles Park 2. Hope Mabaso/Wandile Masoek	2. Quarterly 2. Quarterly
13	Investment attraction, retention & expansion	Lack of competitiveness to ensure the City's economic growth	Optimisation and Growth of Core Function	External Environment	Possible collapse of national markets and restructuring of market system	Declining infrastructure at national markets (Legacy of maintenance issues) Lack of capacity to manage the national markets Increased channels of distribution Non-adherence to regulations (payment terms) Historical geographical location of current national markets	Joburg Market could become a regional market resulting in increased volumes and revenue Development of alternative commission markets Increased pressure on existing infrastructure and staff Possible collapse of commission based model resulting from increased pressure of food security		Major	4	Possible	3	12	Monthly monitoring of performance of other markets Member of SAUFM joint forum Informal communication with other markets	Poor	1.00	12	4	3	Chief Executive Officer	1. Continuous monitoring and reporting	Charles Park	Quarterly

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Ranking	Mayoral Priority Implementation Programmes (PIPS)	City Top risks	MOE Strategic Objectives	Risk Category	Risk Description	Root causes	Consequence of the risk	Key Risk Indicators	Impact	Likelihood	Inherent Risk	Current controls	Control Effectiveness	Residual risk	Impact	Likelihood	Risk Owner	Actions to improve management of the risk	Action Owner	Time scale			
14	Active and engaged Citizenry	Inadequate stakeholder engagement and relations management	Optimisation and Growth of Core Function	Process	Misalignment of stakeholder expectations (shareholder, customers, farmer organisations, Dept of Agriculture, donation recipients etc.) Different objectives of stakeholders Limited growth opportunity and innovation due to legislative requirements (i.e. MFMA)	Stakeholders not receptive to change within the market Lack of buy-in by stakeholders Lack of understanding of the Market business model by stakeholders	Dissatisfied stakeholders Possible non-achievement of mandate Potential compliance conflict Increased pressure from stakeholders Harmful to reputation		Moderate	3	Likely	4	12	Stakeholder matrix Some stakeholder forums for certain areas Shareholders compact with COJ with quarterly reporting	Good	0.40	4.8	3	1.6	Chief Executive Officer	1. Defining stakeholder and role-player matrix 2. Implementation of reporting on stakeholder expectations at EXCO and Board level 3. Attend Industry related events, grower associations /forums & symposiums	1. Charles Park 2. Hope Mabaso/Wandile Masoek Boipelo Phale 3. CEO/ Charles Park	1. Quarterly 2. Quarterly 3. Annually

Ranking	Mayoral Priority Implementation Programmes (PIPS)	City Top risks	MOE Strategic Objectives	Risk Category	Risk Description	Root causes	Consequence of the risk	Key Risk Indicators	Impact	Likelihood	Inherent Risk	Current controls	Control Effectiveness	Residual risk	Impact	Likelihood	Risk Owner	Actions to improve management of the risk	Action Owner	Time scale	
15	Smart City	Inadequate IT governance and IT delivery (ICT risks)	Optimisation and Growth of Core Function	Technology	Lengthy down time of trading system (30 min.)	Power failure at the Market Viruses Software and hardware failure Natural disasters (i.e. flood) Sabotage by employees	Loss of revenues Increase in fraud related activities Stock losses Stakeholder dissatisfaction Temporary loss of data integrity Increase in insurance claims Increased pressure from stakeholders Harmful to reputation		Major	4	Unlikely	2	8	0.40	3.2	4	0.8	Chief Executive Officer	1. Develop Disaster Recovery Plans for any mission critical areas 2. Continuity/Offline system	1. Charles Park/ Josiah Mazibuko (Business Continuity Committee)	Dec-15

6 Financial Impact

6.1 Financial Management

In line with the City's approved financial development plan (FDP), GDS 2040, IDP, and the Ten Mayoral priorities, the financial management function is the key driver to achieve financial sustainability in the Joburg Market. It is responsible for the organization aspects of its financial health. It is accountable for the resources entrusted to it, including funding, expenditure management, cashflow management including budgets and accounting responsibilities. It also involves the implementation of business process engineering to effect strong internal controls.

It ensures that all funds are spent in accordance with JM policies and procedures, and operating needs met within available budgets. Its responsibility also includes financial management, and development of investment strategies and financial reporting and expenditure monitoring. It encourages units to develop an oversight process that builds on best practices. It determines all funding sources, expenditures and reserves available for future use (excluding those already committed and budgeted for current period). Furthermore; it includes all outstanding commitments to unit-wide programs, capital projects. The department also provides management with information necessary to make strategic decisions at any time during the year.

6.2 Fixed Asset Controls and Insurance

The Joburg Market Fixed Assets department within the Finance structure is tasked and responsible for the safeguarding and management of its assets and insurance of assets thereof. The management of the company's fixed assets being Property, Plant, Equipment, Investment Property and Intangibles by means of ensuring that the requirements of the strategic objectives and operational needs are met with the allocation of a capital expenditure budget. This process entail planning and proper budgeting of all capital projects, acquisition, maintenance and disposal of scrap and redundant assets are in terms of the Finance policies and procedures.

All acquisitions and disposals are carried out in line to the requirements of the MFMA and Supply Chain Regulations. These include among others; maintenance of the Joburg Markets fixed asset register by means of physical asset verifications, impairments and re-valuations of assets. The insurance component includes; insurance for business continuity, assets, employees, accidents and asset loss.

6.3 Supply Chain Management

Supply management at Joburg Market is to enhance compliance, improve accountability and transparency, update measures required to combat fraud in the supply management value chain. It supports the sound financial management processes in place to improve service delivery. SCM provides the mechanisms of implementing demand management and establish mitigating strategies for internal controls processes for competitive bidding.

SCM plays a pivotal role by spanning demand, right from the end-customer's requirement to the suppliers that provide the goods and services to meet the needs. It involves going beyond the suppliers that interface with the organisation in order to effect improvements.

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These may include removing cost, increasing quality or ensuring ethical, environmental or socially responsible inputs.

The Supply Chain's role with Joburg Market is guided by the MFMA, BB BEE Act, MSA, PPPFA, SCM policies and procedures and many other regulations relevant to an effective supply chain management process.

6.4 Cashiering

To further ensure an effective cash management system and approach, the cashiering department supports the business by ensuring that all cash received from customers is safely deposited, all refunds are deposited to customer's accounts, all cashiers perform a daily balancing function and all daily cash is deposited through the officially appointed service providers for banking purposes.

6.5 Property Services

To further support the Joburg Market expansion and growth strategy, the property services department supports the business by determining the rental rates as per stipulated guidelines; advertise vacant premises and recommending suitable tenants, producing leasing agreements including repair and maintenance. In addition, the function includes invoicing, receipting, debt collection and reporting.

6.6 Budget 2015/16

6.6.1 Overview

The budget for 2015/16 has been prepared using the following key parameters and assumptions:

- The revised budget for 2014/15 has been used as the base period for the MTEF budget
- The COJ indicatives have been followed:

	2015/16	2016/17	2017/18
Estimated CPI	6,0%	5,5%	5,4%
Estimated Salary Interest (as per SALGA agreement)	7,1%	6,5%	6,1%
Estimated Loan interest	11.96%	12.26%	12.26%
Budgeted Rental Increases	7.8%	8,0%	8.5%
Commission Income	8%	8%	8%

6.6.2 Finance Key Priorities

In line with the COJ long term impact (GDS 2040 related output) is to build a financially and administratively sustainability and resilient City. Therefore the key priorities of Joburg Market are as follows:

- Maintain a clean audit
- Increase collection levels to 97% of billing in 2016/17

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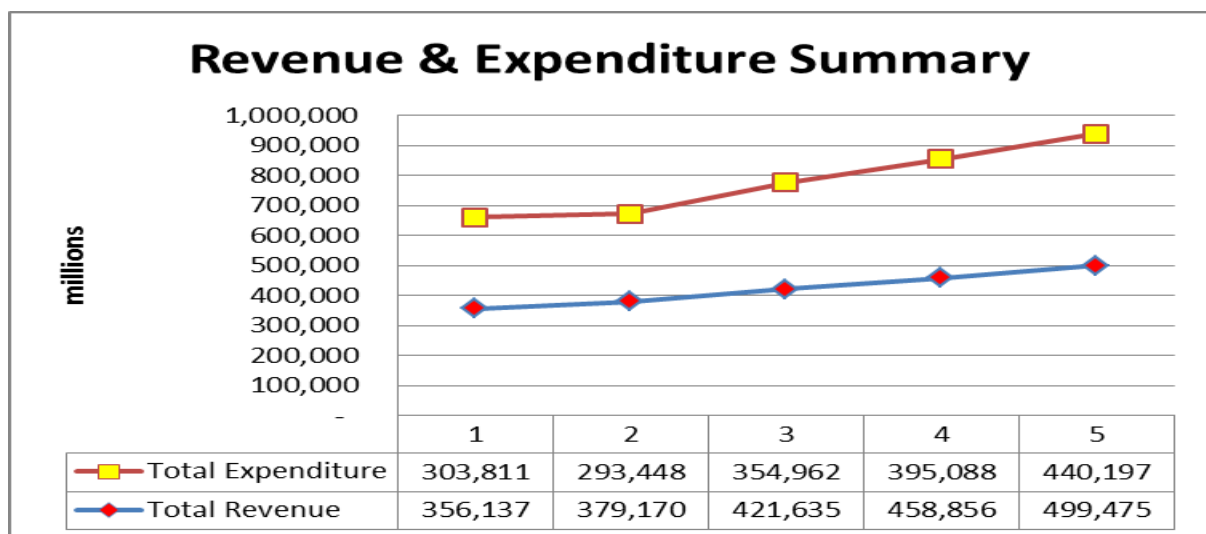
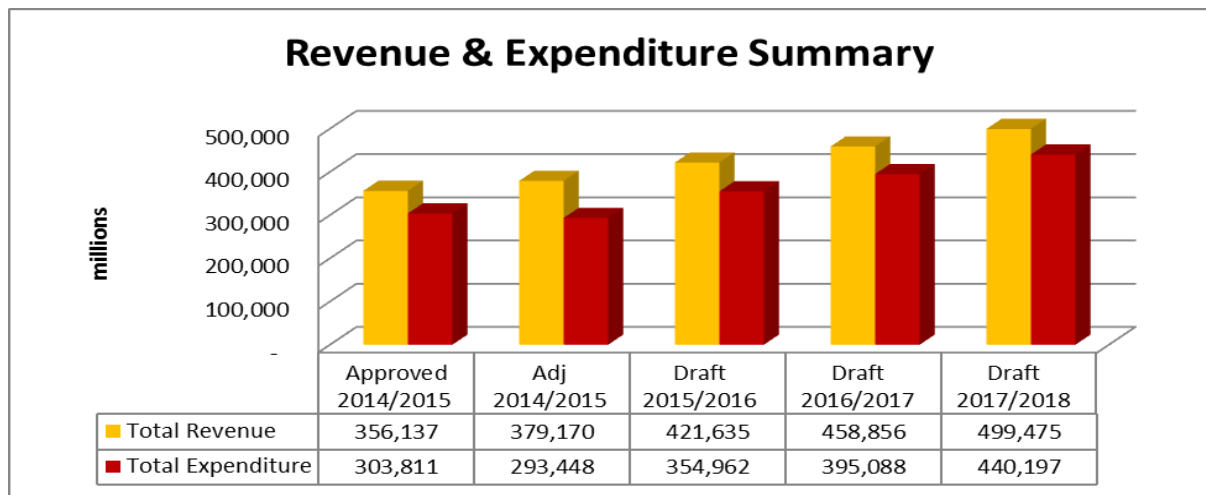
- Effective budget management – (Costs containment)
- Business process re-engineering
- Introduce cashless environment

It is envisaged in order to ensure maximum budget spending the following strategies have been adopted.

- Improved budget and programme planning: Extensive consultation during target setting.
- Focus on improving supply chain processes
- Internal monthly expenditure monitoring as an early warning mechanism
- Effective financial policies and procedures
- Effective business processes for internal control

6.6.3 Income Statement and Commission revenue

Commission revenue has been increased by R35 million from the revised budget of 2014/15 financial year. The revenue grew from R379 million to R422 million in 2015/2016 financial year. Average growth in turnover was 12% over the past five years. Commission revenue grew by 11% for 2015/16.



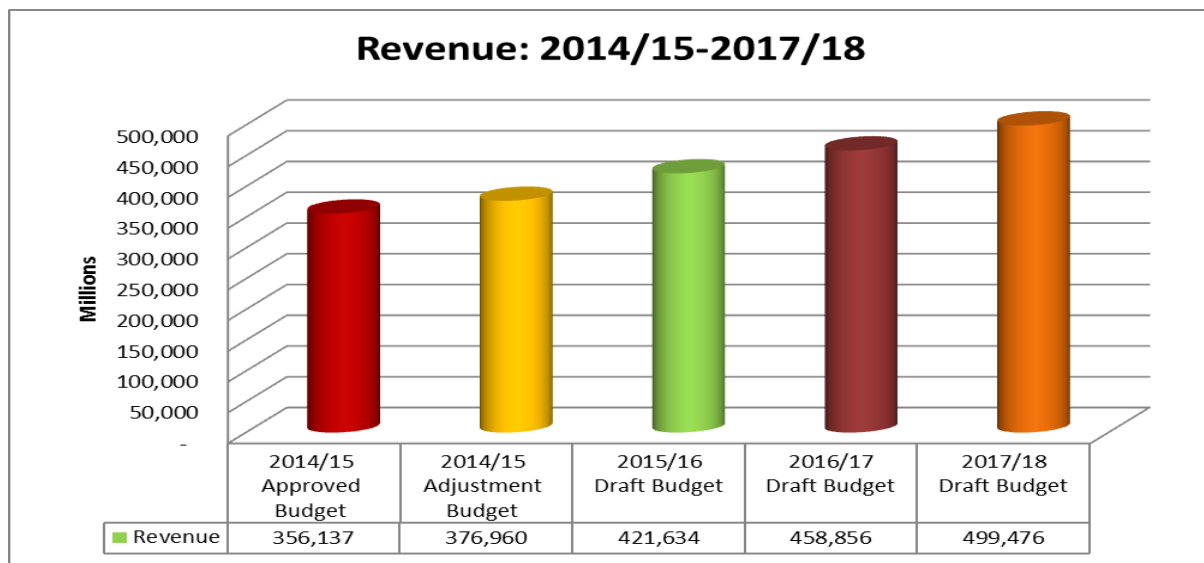
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6.6.4 Rental Revenue

The total rental revenue has increased from R48 million to R58 million in 2015/16 Financial year which reflect an increase of 21% from the adjusted budget. The increase in rental of building facilities is linked to CPI, which is estimated to be 5.5% in 2015/16 financial year. The lease contracts increases are the estimated CPI plus 2%. Due to improved maintenance programmes the facilities in the outer years will contribute significantly towards the total revenue

6.6.5 Total Revenue

The total Revenue will increase from R379 to R422 million in 2015/16 financial year which represents 11% increase. The EPWP grant has remained flat at R5 million due to the uncertainty of an expanded programme continuation.



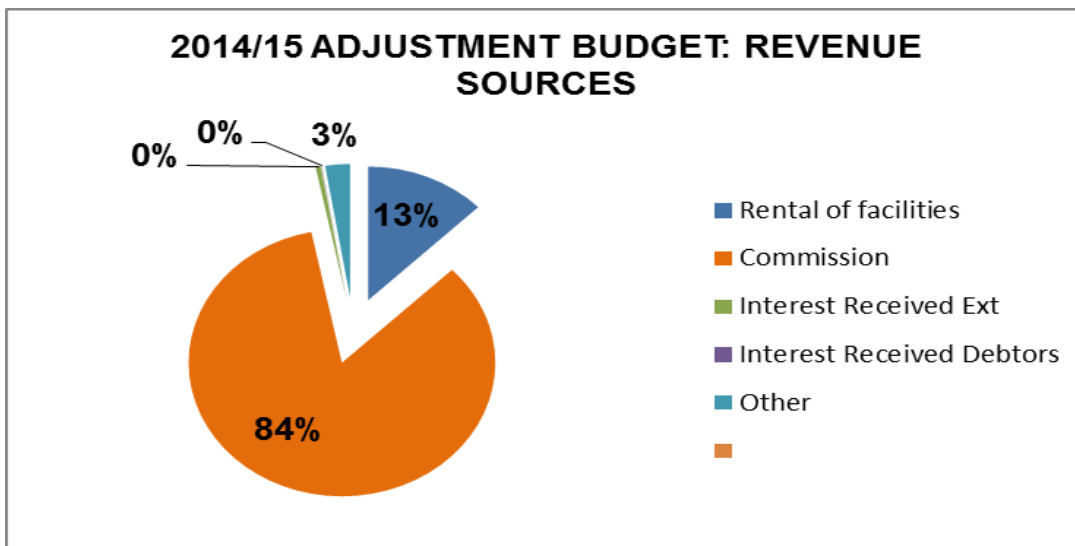
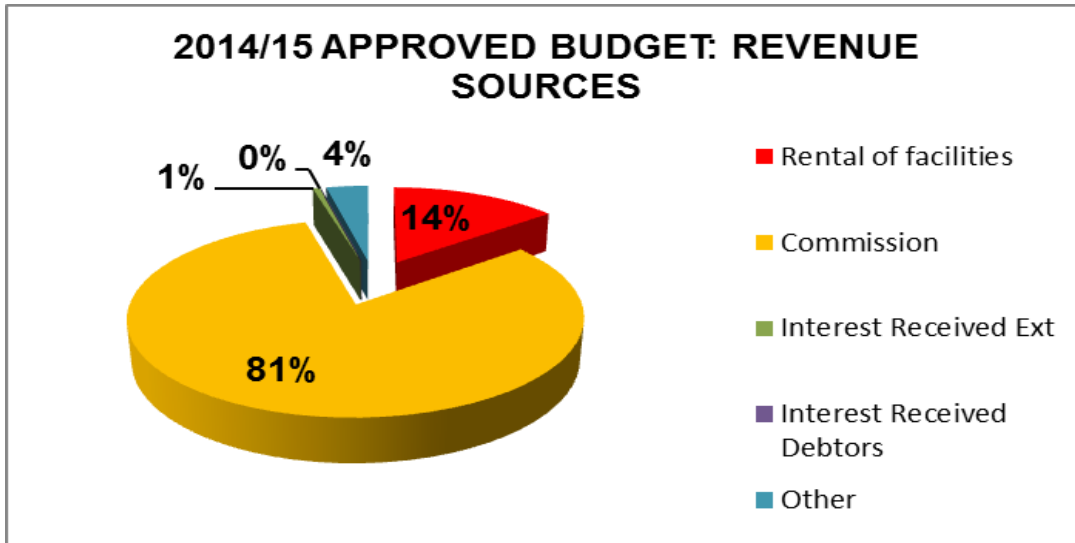
Revenue Budget ('000')	2014/15 Approved Budget	2014/15 Adjustment Budget	2015/16 Draft Budget	2016/17 Draft Budget	2017/18 Draft Budget
Rental of facilities	51,169	48,032	58,337	63,666	69,531
Commission	289,888	316,848	351,701	383,354	417,856
Interest Received Ext	2,100	2,100	2,100	2,100	2,100
Interest Received Debtors	150	150	150	150	150
Other	12,829	9,830	9,346	9,586	9,838
Total	356,136	376,960	421,634	458,856	499,475

6.7 Operational Expenditure

The total operating expenditure increased from R377 to R422 million in 2015/16 financial year, which represents an increase of 12%. The main increase in operating expenditure is depreciation and interest asset due to an increase in capital expenditure in 2015/16.

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The core revenue for the company consists mainly of commissioning income which account for more than 80% of the total revenue. The construction of the MotF will ensure revenue base of the company is enhanced.



6.7.1 Personnel Costs

Personnel cost increased by R8 million from R109 to R117 million in 2015/16. The increase is based on the estimated salary increase (as per SALGA agreement) and includes only critical vacancies required. Furthermore, salary and medical aid increases were above inflation and taken into account.

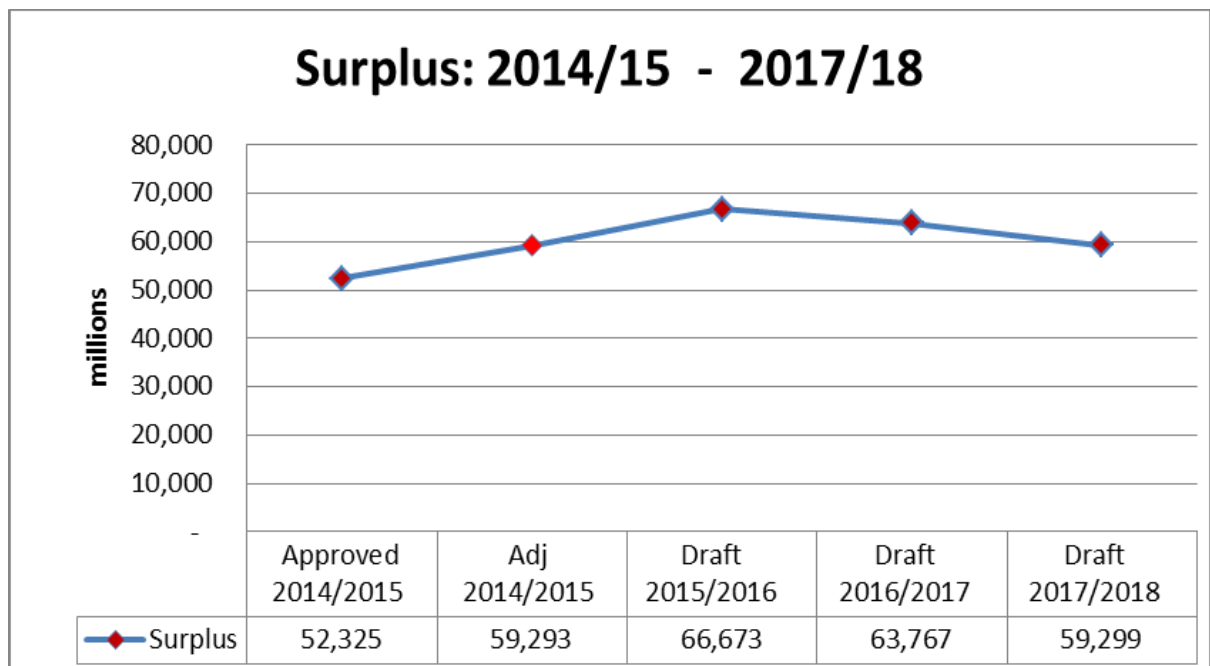
6.7.2 Other Operating Expenditure

The increase in other operating expenditure is as follows:

- Depreciation – The adjusted budget increased from R19 million to R23 million which represent 16% increase. This is mainly due to the increase in the capital expenditure budget in 2015/16 from R117 million to R327 million.
- Repairs & Maintenance – decrease from R26,6 to R26,1 which represents 2% .The decrease is due to an elimination of once-off costs from the previous year.
- Contracted Services – There was a increased from R26 to R33 million which represents 21%. This is due to contractual commitments on service providers and more opportunities created for job creation.
- Other Expenditure – This increased from R133 to R151 million which represents 14% The major expenditure increase in this line item in mainly on statutory increases which include electricity, water and waste collection expenditure.

6.7.3 Surplus

The surplus after tax for 2015/16 increased from R59 to R67 million after tax, which represent an increase of 14%.



Expenditure Medium Term Budget for 2014/15 – 2017/18 Financial years

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INCOME STATEMENT	Approved	%	Final	%	Draft	%	Draft	%	DRAFT	%
	Budget	Var	ADJ Budget	Var	Budget	Var	Budget	Var	Budget	Var
	2014/15		2014/15		2015/16		2016/17		2017/18	
Turnover	5,797,765,062	-8.5%	6,336,957,213	9.3%	7,034,022,506	11.0%	7,667,084,532	9.0%	8,357,122,140	9.0%
Tonnage	1,328,285	0.0%	1,328,285	0%	1,394,700	5.0%	1,464,435	5.0%	1,537,656	5.0%
Rands / Ton	4,365	-8.5%	4,771	9.3%	5,043	5.7%	5,236	-0.5%	5,435	3.8%
Revenue	353,886,631	-5.6%	374,710,159	5.9%	419,384,721	11.9%	456,606,010	8.9%	497,225,526	8.9%
Rental	51,168,857	6.5%	48,032,000	-6.1%	58,336,576	21.5%	63,665,677	9.1%	69,531,077	9.2%
Commission 5%	289,888,253	-8.5%	316,847,861	9.3%	351,701,125	11.0%	383,354,227	9.0%	417,856,107	9.0%
Other Sundry revenue	12,829,521	30.5%	9,830,298	-23.4%	9,347,020	-4.9%	9,586,106	2.6%	9,838,342	2.6%
EXPENDITURE	253,728,567	-8.3%	276,644,354	9.0%	302,244,759	9.3%	332,323,669	10.0%	366,426,928	10.3%
Personnel costs	93,231,120	-14.8%	109,446,906	17.4%	117,217,636	7.1%	124,836,783	6.5%	132,451,826	6.1%
Human Resources	11,821,383	-22.8%	15,321,383	29.6%	15,940,666	4.0%	16,542,403	3.8%	17,165,692	3.8%
Marketing Expenses	5,112,997	-5.5%	5,412,997	5.9%	5,737,776	6.0%	6,053,354	5.5%	6,380,235	5.4%
Repair & Maintenance	24,670,000	0.0%	24,670,000	0.0%	26,150,200	6.0%	27,588,461	5.5%	29,078,238	5.4%
Operational Expenses	66,833,946	-2.6%	68,633,946	2.7%	78,069,975	13.7%	85,055,857	8.9%	92,724,933	9.0%
Information Technology Expenses	7,424,146	0.0%	7,424,146	0.0%	7,869,594	6.0%	8,302,422	5.5%	8,750,753	5.4%
Finance & Administration Expenses	25,151,555	-4.2%	26,251,555	4.4%	28,626,649	9.0%	30,201,114	5.5%	31,831,975	5.4%
Depreciation & Amortisation	19,483,421	0.0%	19,483,421	0.0%	22,632,262	16.2%	33,743,275	49.1%	48,043,275	42.4%
PBIT	100,158,064	2.1%	98,065,805	-2.1%	117,139,962	19.5%	124,282,341	6.1%	130,798,599	5.2%
Net Interest Paid (Received)	21,845,000	47.2%	14,845,000	-32.0%	19,710,184	32.8%	29,766,955	51.0%	39,766,955	33.6%
Profit /Loss of assets scrapped	0		0		0		0		0	
Surplus before tax	78,313,064	-5.9%	83,220,805	6.3%	97,429,778	17.1%	94,515,386	-3.0%	91,031,644	-3.7%
Taxation	(25,988,000)	8.6%	(23,927,628)	-7.9%	(30,757,491)	28.5%	(30,748,134)	0.0%	(31,732,687)	3.2%
Surplus	52,325,064	-11.8%	59,293,176	13.3%	66,672,287	12.4%	63,767,251	-4.4%	59,298,957	-7.0%

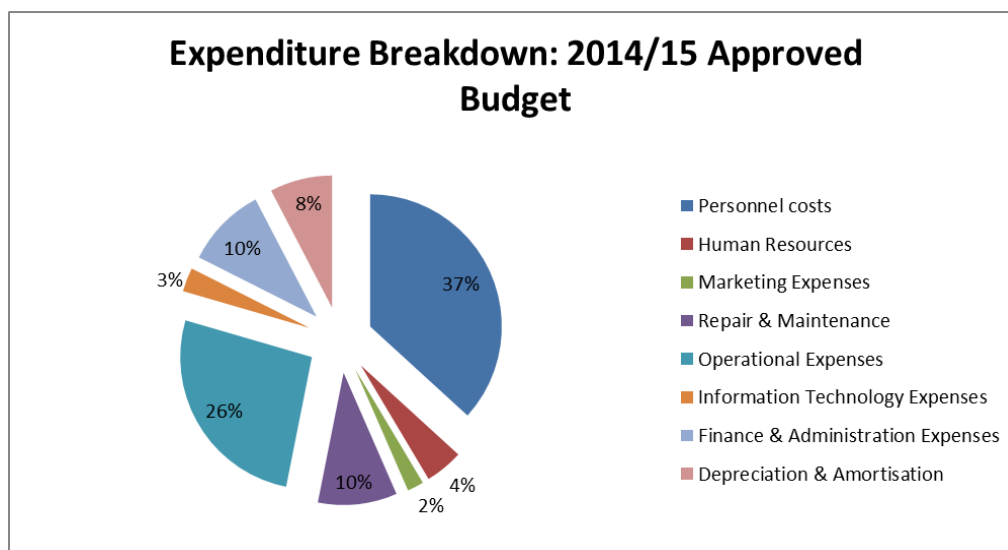
JOBURG MARKET

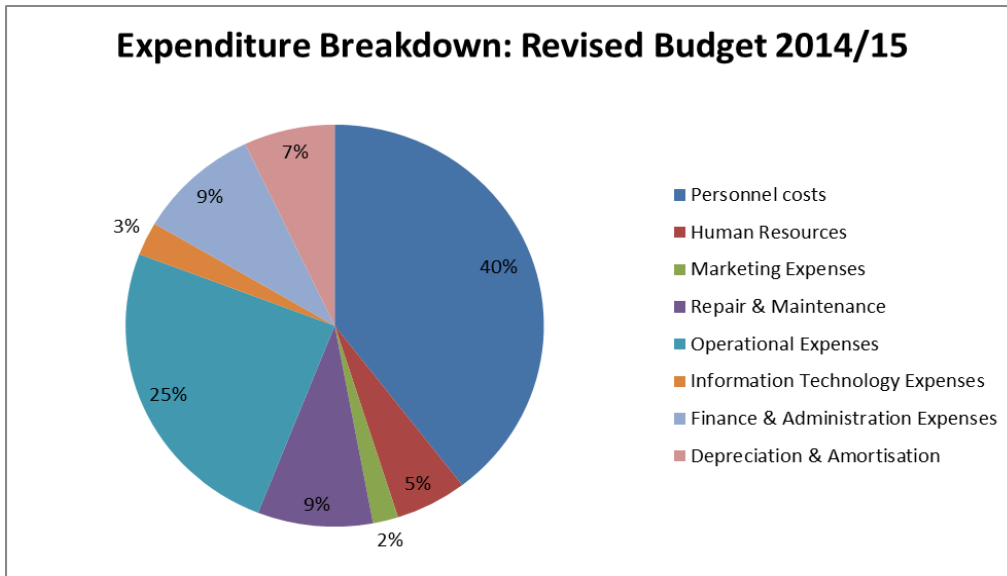
MEDIUM TERM OPERATING BUDGET 2014/15 – 2016/17

Financial Performance (revenue expenditure)

OPERATIONAL EXPENDITURE	2014/15 Approved Budget	2014/15 Adjustment Budget	2015/16 Draft Budget	2016/17 Draft Budget	2017/18 Draft Budget
Excluding (interest & tax)	253,728,567	276,644,354	302,244,759	332,323,669	366,426,928
Personnel costs	93,231,120	109,446,906	117,217,636	124,836,783	132,451,826
Human Resources	11,821,383	15,321,383	15,940,666	16,542,403	17,165,692
Marketing Expenses	5,112,997	5,412,997	5,737,776	6,053,354	6,380,235
Repair & Maintenance	24,670,000	24,670,000	26,150,200	27,588,461	29,078,238
Operational Expenses	66,833,946	68,633,946	78,069,975	85,055,857	92,724,933
Information Technology Expenses	7,424,146	7,424,146	7,869,594	8,302,422	8,750,753
Finance & Administration Expenses	25,151,555	26,251,555	28,626,649	30,201,114	31,831,975
Depreciation & Amortisation	19,483,421	19,483,421	22,632,262	33,743,275	48,043,275

Employee related costs have been increased in line with the MotF growth assumptions and key parameters. The filling of vacancies will be prioritised to key strategic & critical positions. Repairs & maintenance budget is at 6% of the total operating expenditure which is aimed at protecting the capital investment. Administrative and non-service areas budget have been reduced and savings identified. The City’s mandate on CPI, and loan interest parameters have been implemented.





6.8 CAPITAL PROJECTS

The Entity's approved Capital Expenditure Budget for the 2015/16 Financial year amounts to R327 million which is an increase of R210 million from the adjustment budget. The increase in the Capex budget is mainly attributable to the construction phase of the Market of the Future which is a key strategic and flagship project for the City of Joburg and Joburg Market. The total Capex budget for the MotF is estimated at over R624 million over the next 3 years. The bulk of the budget which is approximately R213 million would be used to upgrade the facilities towards the Market of the Future (MotF).

The Roll out of the Capital Expenditure project will address the following:

- Upgrading of Wholesale Hall facilities to comply with HACCP standards.
- Food Security
- Upgrading of Information Technology
- Upgrading of facilities toward a Green Economy
- Ensure that Facilities comply with Health & Safety standards.
- General upgrading of Trading Hall facilities
- Upgrade of the Building

6.8.1 Source of Funding

The Capital expenditure for 2015/16 will be financed through external loans which amounts to R327 million. A funding strategy will be developed to access grant and subsidies once the detailed design of the Market of the Future is finalised.

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Capital Funding	2014/15 Approved Budget	2014/15 Adjustment Budget	2015/16 Draft Budget	2016/17 Draft Budget	2017/18 Draft Budget
Loan Funding	178,322	87,522	277,438	238,747	61,000
CRR and Cash	30,000	30,000	50,000	50,000	50,000
Nat & Prov Grants	-	-	-	-	-
Other	-	-	-	-	-
Total	208,322	117,522	327,438	288,747	111,000

Asset Class	Budget Year 2013/2014 R'million	Budget Year 2014/2015 R'million	Adjustment 2014/2015 R'million	Budget 2015/2016 R'million	Budget 2016/2017 R'million	Budget 2017/2018 R'million
Buildings	31,800	90,400	76,100	83,200	73,900	39,500
Computer Equipment	3,670	10,300	10,300	10,000	24,000	
Furniture	1,442	-	-	-	-	
Office Equip	60	2	2	3	120	
Plant and Equip	7,495	4,985	4,985	14,300	6,884	
Software	2,760	7,100	5,600	7,000	14,570	1,500
Market of the Future	12,500	95,535	20,535	212,935	169,273	70,000
Total	59,727	208,322	117,522	327,438	288,747	111,000

Asset Class	Budget 2014/2015 R'million	Adjustment 2014/2015 R'million	Budget 2015/2016 R'million	Adjustment 2015/2016 R'million	Budget 2016/2017 R'million	Adjustment 2016/2017 R'million	Budget 2017/2018 R'million
Buildings	90,400	76,100	83,200	83,200	76,700	73,900	39,500
Computer Equipment	10,300	10,300	10,000	10,000	24,000	24,000	
Furniture	-	-	-	-	-	-	
Office Equip	2	2	3	3	120	120	
Plant and Equip	4,985	4,985	21,800	14,300	6,884	6,884	
Software	7,100	5,600	7,000	7,000	14,570	14,570	1,500
Market of the Future	95,535	20,535	212,935	212,935	169,273	169,273	70,000
Total	208,322	117,522	334,938	327,438	291,547	288,747	111,000

DETAIL MEDIUM TERM CAPITAL BUDGET 2014/2015 -2016/17

The Capital Expenditure projects for the MotF will amount to the following:

- Market of the Future R213 million
- Information Technology R 17 million
- Plant & Equipment R 14 million
- Building R 83 million

Total R327 million

Capital Expenditure implementation plan

There is a significant shift toward the improvement of the Joburg Market facilities. In the previous financial years the Capex budget was below R60 million and as such more resources will be required to ensure that the roll out of Capital projects are completed efficiently and successfully. The focus therefore will ensure that the following are implemented:

- Employment of suitably qualified and experienced supply chain specialist.
- Advertising of tenders prior to the beginning of the financial year.
- Demand and acquisition plans are timeously submitted and approved.
- SCM committees are properly identified and trained in SCM processes and regulations.
- Utilising a panel of Service providers to synergise demand acquisition

Joburg Market 2015/2016 Business Plan

Key Priority	Financial sustainability and resilience			
IDP Programme :	•Expenditure Management • Capital Project Management •On Going clean audit • Smart and efficient procurement processes			
Long term impact (GDS related output)	Financially and administratively sustainability and resilient city A High performing metropolitan government that proactively contributes to and builds a sustainable socially inclusive locally integrated and globally competitive Gauteng City Region			
KPI	1.1 Maintain clean audit 1.2 Increase collection levels to 95% of billing. 1.3 Effective Budget Management. 1.4 Finance Business process re-engineering. 1.5 Introduce cashless environment			
Project	Effective financial Management			
Baseline	Clean Audit Surplus exceed Budget			
KPI	Approved Target 2014/15 FY	Revised Target 2014/15 FY	Target 2015/16 FY	Target 2016/17 FY
1.1	Clean audit	Sustained Clean audit	Sustained Clean audit	Sustained Clean audit
1.2	95%	95.5%	96%	97%
1.3	>0	>0	>0	>0
1.4	Workflow approved	System implemented	System improvement	System improvement
1.5	Develop Strategy	Implemented	Improved	Improved
Current Approved Three Year Budget				
	Approved 2014/15	2015/16	2016/17	2017/18
OPEX	45 572			
CAPEX	8 333	-	-	
	Revised 2014/15	Draft Medium Term Budget (source Programme Budget Template)		
OPEX	44 017	53 244	59 263	66 030
CAPEX	4701	13 098	11 550	4,444
Percentage increase				

Joburg Market 2015/2016 Business Plan

Key Priority	Agriculture and food security			
IDP Programme	•Access to food • Urban Farmer Support •Healthy Lifestyle			
GDS outputs	•Improved quality of life and development – driven resilience for all.			
GDS outcomes	•Food Security that is both improved and safeguarded			
KPI	1.1 Number of Donations towards NGO's and indigent beneficiaries. 1.2 Access for emerging farmers to JM's programmes. 1.3 Distribution Centres			
Project	Market of the Future			
Baseline	3 Distribution Centres			
KPI	Approved Target 2014/15FY	Revised Target 2014/15FY	Target 2015/16 FY	Target 2016/17FY
1.1	700	700	750	820
1.2	3 plans	3 plans	500 beneficiaries	1000 beneficiaries
1.3	7	7	12	16
Current Approved Three Year Budget				
	Approved 2014/15	2015/16	2016/17	2017/18
OPEX	15 191			
CAPEX	41 664			
	Revised 2013/14	Draft Medium Term Budget (source Programme Budget Template)		
OPEX	14 672	17 881	19 754	22 010
CAPEX	23 504	65 488	57 749	22 220
Percentage increase				

Joburg Market 2015/2016 Business Plan

Key Priority	SMME and Entrepreneurial support			
IDP Programme :	SMME and Entrepreneurial development			
GDS Outputs	Promotion and support to small businesses			
GDS outcomes	An inclusive, job intensive, resilient and competitive economy that harness the potential of citizens			
KPI	1.1 Increase the number of emerging market agents 1.2 Targeted procurement			
Project	New			
Baseline				
KPI	Approved Target 2014/15 FY	Revised Target 2014/15FY	Target 2015/16 FY	Target 2016/17FY
1.1	3 Market Agents	3 Market Agents	3 Market Agents	4 Market Agents
1.2	100%	100%	100%	100%
Current Approved Three Year Budget				
	Approved 2014/15	2015/16	2016/17	2017/18
OPEX	6 076			
CAPEX	-			
	Revised 2014/15	Draft Medium Term Budget (source Programme Budget Template)		
OPEX	5 869	7 099	7 902	8 804
CAPEX				
Percentage increase				

Joburg Market 2015/2016 Business Plan

Key Priority	Investment attraction, retention and expansion			
IDP Programme :	Trade and investment promotion, Business Retention, expansion and aftercare.			
GDS Outputs	Meaningful citizen participation and empowerment			
GDS outcomes	High performing, metropolitan government that proactively contributes to and builds a sustainable, socially inclusive, locally integrated and globally competitive Gauteng City Region. Meaningful participation and empowerment. Upgrade infrastructure towards Market of the Future.			
KPI	1.1 Upgrade infrastructure towards Market of the Future.			
Project	New			
Baseline				
KPI	Approved Target 2014/5 FY	Revised Target 2014/15FY	Target 2015/16 FY	Target 2016/17 FY
1.1	Detailed Design of the MotF	Detailed Design of the MotF	Construction phase 1	Construction phase 2
Current Approved Three Year Budget				
	Approved 2014/15	2015/16	2016/17	2017/18
OPEX	203 553			
CAPEX	135 409			
	Revised 2013/14	Draft Medium Term Budget (source Programme Budget Template)		
OPEX	196 610	220 076	244 955	272 922
CAPEX	76 389	196 463	173 248	66 660
Percentage increase				

Joburg Market 2015/2016 Business Plan

Key Priority	Green Economy			
IDP Programme	Sector diversification, Productivity and Competitiveness Support – Green Economy.			
GDS Output	Climate change resilience and environmental protection			
GDS Outcomes	Provide a resilient, liveable urban environment underpinned by infrastructure supportive of a low carbon economy			
KPI	1.1 Upgrade infrastructure towards Market of the Future. 1.2 Hygiene Management system.			
Project	Market of the Future			
Baseline				
KPI	Approved Target 2014/15 FY	Revised Target 2014/15FY	Target 2015/16FY	Target 2016/17FY
1.1	Detailed Design of the MotF	Detailed Design of the MotF	Construction phase 1	Construction phase 2
1.2	Approval of site hygiene plan	Approval of site hygiene plan	Implementation of Hygiene management system	Improvement to the hygiene management system
Current Approved Three Year Budget				
	Approved 2014/15	2015/16	2016/17	2017/18
OPEX	9 114			
CAPEX	14 583			18,000
	Revised 2014/15	Draft Medium Term Budget (source Programme Budget Template)		
OPEX	8 803	10 649	11 853	13 206
CAPEX	8 227	22 921	20 212	7 777
Percentage increase				

Key Priority	Other Day to Day Programmes			
IDP Programme :	Including Jozi @Work			
Long term impact (GDS related output)				
KPI	Strategic implementation of other programmes			
Project				
Baseline				
Approved Target 2014/15 FY	Revised Target 2014/15 FY	Target 2015/16 FY	Target 2016/17FY	
Current Approved Three Year Budget				
	Approved 2013/14	2014/15	2015/16	2016/17
OPEX	24 305			
CAPEX	18 749			
	Revised 2013/14	Draft Medium Term Budget (source Programme Budget Template)		
OPEX	23 476	46 145	51 361	57 266
CAPEX	10 577	29 470	25 987	9 999
Percentage increase				

7. Human Resource Management

The process of developing a new organisational structure is on-going with the high level structure already approved and implemented. The entity is now working on the review and development of the unit level structure which seeks to interpret the business strategy for Market of the Future. The process has been through an extensive employee consultation process to promote a culture of transparency and collective responsibility between the company and its employees.

The current organisational capacity is fairly at an acceptable level with all critical vacancies filled. The executive has resolved to ensure at all times to have a structure that is 80% capacitated; particularly at critical executive and operations areas to ensure business continuity.

The process of reviewing policies is at the last stage and our policies will be bot legally compliant and aligned to the business strategy. The review will be done at intervals of three years moving forward or as and where material changes occur either in the legislation or in the business imperatives.

We believe in sound and progressive labour relations and accordingly we constantly engage with organised labour both informally and in formal structure sessions. This is in ensuring the interests of the employees are prioritised.

From a strategic perspective; key issues for HR as the company transitions into MotF remain:

1. Identification of key competencies required for the MotF.
2. Sourcing of key talent to drive the implementation of the MotF project and its critical components.
3. Conducting a gap analysis of the current skills and competencies.
4. Developing a comprehensive change management initiative to drive a new culture that will support and propel the MotF strategy forward.

These key elements are further elaborated on in the Human Resource Development plan.

7.1 Human Resource Development (HRD)

The key pillars that guide the human resource development strategy are as follows:

- **Organisational Development** - ensuring that JM implements a change management process preparing employees for the change in business strategy and processes.
- **Organisational Culture** - conducting a climate survey to assess issues that impact on employee morale and implementing programmes to reduce negative perceptions by employees.
- **Talent Management** - ensuring that JM nurtures existing talent and attracts appropriate talent into the organisation.
- **Retention** - of critical and core skills to ensure continuity and consistent high performance, and improved productivity.
- **Succession planning** - identifying succession candidates and mentors for critical positions to ensure a constant pool of talent, especially in positions that are hard to fill.
- **Developing appropriate organisational structure** – the structure will assist us to align the recruitment to the business strategy and ensure the stability in the organisation. The

process is already in progress and an annual review of the structure is envisaged to keep it realistic and relevant for the business.

- **Implementing a performance management system & culture** - to inculcate a culture of service excellence and accountability; all managers will be placed on performance management.
- **Managing employee safety & wellness** – we will implement a comprehensive wellness programme that ensures a productive workforce. The wellness programme will promote chronic disease management and promote work-life balance for staff.
- **Sound employee relations** – implement an employee engagement strategy that incorporates an alignment of the LLF and company programmes for ensuring sound and labour environment. Mechanisms will be created that provides employees with avenues to address their workplace challenges with assurance of confidentiality.
- **Remuneration & reward** - as part of the retention strategy, JM shall constantly review the reward strategy and remuneration practices to keep abreast of trends and promote loyalty. Efforts will be made to introduce reward schemes that encourage retention and that encompass both financial and non-financial rewards
- **Improved systems & processes** – implement continuous improvement of our systems and processes through benchmarking and alignment of processes to progressive organisations' standards.

7.1.1 Skills Priorities for MotF

The JM implementation of MotF requires a skilled workforce with appropriate skills and competencies. The MotF skills can be categorised into two broad categories; technical and legislative skills categories.

Technical skills

- Banana Ripening
- Packaging and Labelling
- Sales Principles
- Retail Operations
- Fresh Produce Preservation and Inspection
- Cold Store Fundamentals
- Stock Handling and Transportation (Consignment)
- Stock Control / Auditing
- Facilities Management-(Artisans)
- Cash Management
- Operations Management

Legal and Mandatory Skills

- Municipal Finance Management Competencies
- Operating Specialised Equipment
- Occupational Health and Safety
- Environmental Management
- Municipal Market by-Laws
- Food Quality Control
- By-Law Enforcement

In terms of building management capacity, the following is required:

- Leadership Skills Development
- Project and Programme Management
- Customer Orientation
- Life Skills for all employees
- Financial Management
- Risk Management
- Ethics and Governance
- Membership of Professional bodies for all Managers

7.1.2 Targeted Training for Women, Youth and Disabled

As part of the training strategy, JM believes in an inclusive approach to training that accommodates all groups of employees. In ensuring that targeted groups like women, youth and disabled are given preference, all programmes identified have a higher number of female participants compared to male participants.

Special programmes targeting issues affecting women are being considered to improve capacity in women, such as:

- Leadership skills for women
- Life skills for women
- Assertiveness skills for women

The focus for the next year remains the up skilling of the Managers to prepare for the growth in the business and to ensure that as we expand our footprint to the SADEC region, we are able to deliver quality and a good reputation for the City.

Priority areas of development remain the empowerment of women to allow them opportunities to compete and grow both within the company and beyond.

7.1.3 Leadership Development

In ensuring that the company continues to grow and to achieve and exceed its set objectives; the company needs to have competent and capable leaders to drive the business strategy and to position the company as a leader in the fresh produce industry. Our leadership development initiatives aim to create our own crop of leaders and to nurture and retain those already in our system.

In the next financial year we plan to train 5 senior managers in leadership programmes. All our managers are enrolled in their professional bodies relevant for their own professions to encourage professional ethical leadership within the company. As part of improving management capacity, all managers are required to do Project Management as part of their training plus Financial Management.

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7.1.4 Action Plan of HR Strategy for the MotF

PLAN	HOW ACHIEVED	BY WHEN	BY WHOM	IMPLICATIONS	RISK	DEPENDENCIES
Implement Organisational Development initiatives	<u>Change Management</u> <ul style="list-style-type: none"> Appointment of Change management consultant. Identify and appoint internal change agents 	October 2015	Procurement HR / Executive Committee (EXCO)	<ul style="list-style-type: none"> Employee consultation Stakeholder consultations Budget approval 	<ul style="list-style-type: none"> Stakeholder buy-in Employee concerns 	<ul style="list-style-type: none"> Procurement Organised Labour Stakeholder For a project managers
	<u>Organisational Structure</u> <ul style="list-style-type: none"> Implementation of the new organisational structure in phases 	July 2015	HR	<ul style="list-style-type: none"> Placement of employees into new structure Acquisition of additional skills Budget for new posts Re-training of staff 	<ul style="list-style-type: none"> Unplaced employees Inadequate budget 	<ul style="list-style-type: none"> EXCO Board
	<u>Organisational Culture</u> <ul style="list-style-type: none"> Conduct culture survey Roll-out change management 	Nov 2015	HR	<ul style="list-style-type: none"> Change Management consultants Employee perceptions on JM processes 	<ul style="list-style-type: none"> Low perception of company processes Increase uncertainty about MotF 	<ul style="list-style-type: none"> EXCO Organised Labour
	<u>Retention Strategy</u> <ul style="list-style-type: none"> Develop strategy for retention of core skills Identify core positions and individuals for retention 	July 2015	HR	<ul style="list-style-type: none"> Budget for premium payment Work –Life balance programmes 	<ul style="list-style-type: none"> Lack of interest in retention Cost of training 	<ul style="list-style-type: none"> Budget Appropriate programmes
	<u>Succession Planning</u> <ul style="list-style-type: none"> Identify positions for succession Select successors 	July 2015	HR EXCO	<ul style="list-style-type: none"> Identification of critical positions for MotF Prioritisation of positions using MotF not seniority Priority training Mentorship 	<ul style="list-style-type: none"> Lack of guarantee for candidates appointment after succession programme Cost of retention 	<ul style="list-style-type: none"> Willingness of mentors Interest in employees

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PLAN	HOW ACHIEVED	BY WHEN	BY WHOM	IMPLICATIONS	RISK	DEPENDENCIES
Learning and Development	<p>1. <u>MotF Priority Training</u></p> <ul style="list-style-type: none"> • Draw up training plan • Appoint service providers <p>2. <u>Roll-out training Leadership Development</u></p> <ul style="list-style-type: none"> • Identified relevant leadership programmes • Select candidates for the programmes • Access external plus SETA opportunities. 	<p>June 2015</p> <p>April 2015</p> <p>Nov 2014</p>	<p>HR</p> <p>MotF Team</p> <p>HR</p> <p>EXCO</p>	<ul style="list-style-type: none"> • Service gaps during training • Training rooms constructed for MotF Training • Improved leadership capacity 	<ul style="list-style-type: none"> • Lack of training facilities at JM • Reduced capacity during training • Potential threat of Turnover at management levels 	<p>EXCO</p> <p>W&R SETA Grant</p> <p>Seta Funds</p>
	<p>3. <u>Legislative Training</u></p> <ul style="list-style-type: none"> • Identify all legislative compliance training. • Selection of appropriate employees. 	<p>February 2015</p>	<p>HR</p> <p>EXCO</p>	<ul style="list-style-type: none"> • Full compliance • Capable employees • Reduced litigation 	<ul style="list-style-type: none"> • Compliance notices • Litigation 	<ul style="list-style-type: none"> • Budget

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7.2 Employment Equity

The JM continuously strives to comply with the provisions of the Employment Equity Act. The Employment Equity (EE) Plan is aligned to the demographics data of Gauteng to ensure consistency with provincial employment data.

We are in the third year of your five year plan and we have seen a significant achievement in addressing our African component particularly at the senior management level. Our challenge now is the recruitment of other groups to ensure a fully demographic workforce. The recruitment of people with disabilities is still a concern since we are just at the threshold, but we would like to exceed the threshold; however the pool of these individuals is also not big enough especially in the operational levels while the demand is increasing.

The current employment equity situation is skewed at the lower levels towards Africans, due to the lack of interest shown by other population groups in advertised positions.

At Management levels, employment equity is balanced, and JM has to consistently monitor it to ensure the targets remain at the required levels.

Table 10: EE statistics and targets

OCCUPATIONAL LEVELS	TARGET JUNE 2015									STATUS END 2 nd QUARTER								
	MALE				FEMALE				TOTAL	MALE				FEMALE				TOTAL
	A	C	I	W	A	C	I	W		A	C	I	W	A	C	I	W	
Top Management	1	0	0	0	0	0	0	0	1	0	0	0	0	1	0	0	0	1
Senior Manager	1	0	0	1	2	0	0	1	5	3	0	0	0	3	0	0	0	6
Mid Manager / Professional	10	2	3	8	7	0	0	4	34	10	2	3	8	7	0		2	32
Skilled Tech / Junior Manager	23	0	1	3	23	1	1	4	56	23	0	1	3	23	1	1	3	55
Semi- Skilled	78	3	0	5	66	8	2	15	177	74	3	0	3	73	7		13	173
Unskilled	8	0	0	1	11	0	0	2	22	6	0	0		12			0	18
TOTAL	121	5	4	18	109	9	3	26	295	116	5	4	14	119	8	1	18	285

Annexure 1: Joburg Market 2014/15 Business Plan - Company Scorecard (Audit and Performance reporting set)

KPA no	KPA	KPI	Criteria/Evidence	Unit	Weight	Baseline 2014/15	Target 2015/16	Quarterly Targets				Leader	Multiyear predictors – Sect. 87 (MFMA)	
								Q1	Q2	Q3	Q4		2016/17	2017/18
1	OPTIMISATION AND GROWTH OF CORE FUNCTION				20									
	1.1	Commencement of phase 1 construction of MotF according to the specification	Appointment of Owners Engineer Team and conclusion of SLA. Commence with detailed construction plan for the MotF	Number		Signed SLA and approved detailed design of MotF	Commencement of construction phase 1	Appointment of Owners Engineer Team.	Finalisation of SLA, cash flow projections and timeframes	Commencement with Detailed Design plan as well as Mandela Market inclusion	Commencement of construction phase 1 according to specification	Executive Manager: Core Operations	Construction phase 2	Construction phase 3
	1.2	No. of hygiene management systems implemented	Site hygiene management strategy developed	Number		Implementation of hygiene management system	Implementation of revised hygiene management system	Field research on hygiene standards for Foodbank premises	Refinement of one hygiene management strategy and standards towards MotF	Commissioning of revised (one) hygiene management system	Review of hygiene system for effectiveness	COO	Testing of hygiene management system for effectiveness with stakeholders	Improvement plan to hygiene management system
	1.3	% Increase of JM market share in relation to FPMs	Increase in JM market share as measured by SAUFM	% Cum		39.75	40	39.60	40.20	40.00	40.52	COO	41	42
						R 5.6Bn	R 7.03Bn	R 1.70Bn	R1.78Bn	R1.76Bn	R1.79Bn		R7.67Bn	R8.35Bn
2	TRANSFORMATION / BEE				25									
	2.1	% of phase 2 - change management plan implemented (3 phases in 3 years)	Phase 2 implemented (Cum)	% of Phase 1 (Cum)		Phase 1 complete plan	100	0	30	75	100	MotF Manager	100	100
						Phase 2 – 1 plan	0	0	1/3 Plan	3/4 Plan	1 Complete implementation Plan- phase 2		1 Plan implemented Phase 3	1 Plan Review plan implemented
							0	0	1 Ratio Plan	1 Ratio Plan	1 Ratio Plan		1 Ratio Plan	1 Ratio Plan
	2.2	% achievement of BEE portion targets in total procurement	BEE portion of total procurement report	%		116	115	115	115	115	115	CFO	116	117
						R 63,888M	R 295,0M	R 30.5M	R 55.5M	R 102.0M	R 107.0M		R 320M	R 355M
	2.3	R/M targeted turnover of emerging agents achieved	R/M targeted turnover achieved as per SPS report	R/Millions (Cum)		R234M	R255M	R50.5M	R102.5M	R158.0M	R255M	COO	R264.0M	R275.0M
	2.4	Increase number of emerging agencies	Increase in the number of emerging agencies awarded operating licenses	Number		2	3 agencies established	0	Development of tender criteria and RFP advertising	Screening of agency applicants and training	Appointment of 3 new agencies	COO	3 agencies appointed	4 agencies appointed
	2.5	No. of access plans implemented for emerging farmers to JM	Performance against plans to enable access to JM for emerging farmers	Number		3 access plans implemented	3 access plans implemented to reach 1450 beneficiaries	0	Access plan 1 - Develop support concept programme for targeted	Access plan 2 - Identify beneficiaries through a stakeholder	Access plan 3 – Introduce programme to first 1450 beneficiaries	COO	Roll out of access plan to 1750 beneficiaries	Roll out access plan to 2350 beneficiaries

KPA no	KPA	KPI	Criteria/Evidence	Unit	Weight	Baseline 2014/15	Target 2015/16	Quarterly Targets				Leader	Multiyear predictors – Sect. 87 (MFMA)	
								Q1	Q2	Q3	Q4		2016/17	2017/18
									industry branches	identification programme				
	2.6	No. of co-operatives established to conduct apron services at JM	No. of co-operatives formalized to conduct apron services at JM	Number (Cum)		3 co-operatives	4 Co-operatives established	Prepare co-operative establishment plan and stakeholders contact form	Conduct screening and appointment of applicants	2 Co-operatives established	4 Co-operatives established	COO	5 Co-operatives established	6 Co-operatives established
	2.7	No. of informal distributors trained	Training provided to traders (Cum)	Number (Cum)		0	85	0	30	65	85	Marketing	95	105
	2.8	No. of index points achieved from surveys towards improved stakeholder satisfaction	Result from independent study	Index		0	52	0	52	0	52	Marketing	55	60
					Survey not conducted	2 Surveys	0	1 Survey	0	1 Survey		2 Surveys	2 Surveys	
	2.9	No. of fresh hubs (distribution centres) established in PDAs	Number of units in operation	Number (Cum)		New	2 Distribution Centres	0	0	1 Distribution centre	2 Distribution centres	Marketing	3 Distribution centres	4 Distribution centres
	2.10	No. of promotional plans rolled out for MotF aimed at key stakeholders on Business-to-Business level (phase 1)	Developed and implemented promotional plan for MotF	Number		0	1 X Promotional plan (Phase 1)	Finalise promotional strategy	Acquire resources and promotional items	Develop promotional workshops work streams	Roll out of phase 1 promotional plan to buyers and producer groups	Marketing	Roll out of 2 nd phase promotional plan for MotF	Roll out of 3 rd phase promotional plan for MotF
3	FINANCIAL MANAGEMENT				15									
	3.1	R/M value of improved in surplus generation against budget	Surplus vs. budget according to formula	R/Million		≥0	≥0	≥ 0	≥0	≥0	≥0	CFO	≥0	≥0
	3.2	Maintain a clean Audit	Achieved	Yes		Clean audit	Clean audit	Yes	Yes	Yes	Yes	CFO	Yes	Yes
	3.3	% Increase in collection levels for total billing	% of billing (Cum)	% (Cum)		98.4	99%	99%	99%	99%	99%	CFO	99	99
						R43.3M	R58M	R14.55M	R29M	R43.5M	R58M		R59.2M	R60.1M
	3.4	No. of re-engineered finance processes implemented	Automation of business processes (Phase 1)	Number		4 Sets (phase 1)	4 Sets (phase 2)	Workflow – Design for phase 2	1 Set – Concept testing for electronic	2 Sets of applications implemented	2 Sets of applications implemented	CFO	Phase 3 4 sets of applications	Phase 4 4 sets of applications

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KPA no	KPA	KPI	Criteria/Evidence	Unit	Weight	Baseline 2014/15	Target 2015/16	Quarterly Targets				Leader	Multiyear predictors – Sect. 87 (MFMA)	
								Q1	Q2	Q3	Q4		2016/17	2017/18
								Automation	applications implemented				implemented	implemented
	3.5	R/M value of CAPEX spent	Spending level of CAPEX against target	R/Million (Cum)		R26.972M	R327.7M	R45.5M	R90.5M	R205M	R327.7M	CFO	R288.7M	R111.1M
4	FOOD SECURITY				10									
	4.1	No. of functional pack houses launched to enable emerging agro-processors	Functional pack houses to enable emerging agro-processors	Number		0	1 X central pack house (shared facility)	Scoping of operational requirements	Preparing pack house and train operators and link to clientele	1 X central pack house launched	Post launch support to emerging agro-processors	Executive Agricultural Intelligence	Establish pack house number 2 to enable emerging agro-processors	Establish pack house number 3 to enable agro-processors
	4.2	No. of donations conducted to NGOs and indigent beneficiaries	Number of Donations made (Cum)	Number (Cum)		20 366	23 000	4 000	7 500	11 500	23 000	Strategic Support	24 000	25 500
	4.3	Increase in no. of tons in product on offer at JM	Tons processed through SPS (Cum)	Tons (Cum)		1.245M	1.30M	0.27M	0.60M	0.95M	1.30M	Marketing	1.40M	1.50M
5	SKILLS DEVELOPMENT				15									
	5.1	% of total number of staff members trained to operate MotF trained (planned for phase 1 – 77 candidates)	MotF training plan developed and implemented (Cum)	% (Cum)		New	100	0	30	70	100	HR Exec	100	100
							105 candidates	0	25 candidates	57 candidates	105 candidates		Phase 2 planned for 110 candidates	Phase 3 – 125 candidates
	5.2	No. of performance management systems implemented	Full scope implementation of PMS and Performance management policy	1 Plan		New	Review 1 performance management system for MotF implemented	Test with MANCO	Assess work streams of each function	Develop new functional scorecard for MotF	Implement 1 new performance management system for JM	EXCO	Policy Review and test with updated MotF master plan	Implement new 3 year work stream plan and automate system
6	GOOD GOVERNANCE (LEGAL AND REGULATORY COMPLIANCE)				5									
	6.1	No. of SHE legislative compliance checklists completed	Self-assessment report	Number (Cum)		4	4 checklists of compliance completed	1	2	3	4	Strategic Support	4	4

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KPA no	KPA	KPI	Criteria/Evidence	Unit	Weight	Baseline 2014/15	Target 2015/16	Quarterly Targets				Leader	Multiyear predictors – Sect. 87 (MFMA)	
								Q1	Q2	Q3	Q4		2016/17	2017/18
	6.2	No. of new bylaws promulgated	New bylaw to enable governance of MotF	Number		1 draft bylaw	1 X Bylaw	Develop agency licence components of bylaw	Review bylaw provisions	Approval by Board and CoJ as well as promulgation by JM	Conduct adjustments following public participance and launch 1 new bylaw	Snr. Manager Legal and Compliance	Conduct training of agents and staff in bylaw provisions	Implement bylaw provisions to regulate new elements going live in MotF operation
	6.3	Reduce number of injuries - Occupational Health and Safety	Number of injuries	Number (Cum)		4 injuries	<18	<8	<12	<16	<18	Strategic Support	<17	<16

- The development of the company scorecard was underpinned by the strategic objectives and the drive towards the flagship MotF project to be delivered over the next 3 financial years.
- All KPIs are defined in the JM: Glossary of KPI Definitions

Annexure 2: Alignment with GDS and IDP

JM will pursue projects and programmes linked to the GDS and IDP as follows:

GDS outcome	GDS output / Other	IDP Programme / Activity	Project/Programme
Improved quality of life and development-driven resilience for all	Food security that is both improved and safeguarded	Innovation: Ensure a continuous and adequate supply of suitable quality fresh produce at reasonable prices	MotF/Premium Hall and a “Back-to-Back Co-operative System”
Improved quality of life and development-driven resilience for all	Food security that is both improved and safeguarded	Innovation: Ensure a continuous and adequate supply of suitable quality fresh produce at reasonable prices	Promoting legislation and contractual engagements that supports greater food security <ul style="list-style-type: none"> • APAC Act • Bylaw • MFMA
Improved quality of life and development-driven resilience for all	Food security that is both improved and safeguarded	Innovation: Ensure a continuous and adequate supply of suitable quality fresh produce at reasonable prices	JM facilitates the establishment of fresh produce distribution centres in marginalised areas with the provision that products sold are from JM or useful alternatives
Provide a resilient, liveable, sustainable urban environment - underpinned by infrastructure supportive of a low carbon economy	Sustainable and integrated delivery of water, sanitation, energy and waste	Green economy: Support implementation of Green Economy interventions	Energy strategy that includes: <p>Converting waste to energy</p> <p>Green Project that include alternative sources of energy i.e. solar panels, bio-gas and tri-generation</p>

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GDS outcome	GDS output / Other	IDP Programme / Activity	Project/Programme
A high performing metropolitan government that proactively contributes to and builds a sustainable, socially inclusive, locally integrated and globally competitive Gauteng City Region	Financially and administratively sustainable and resilient city	BEE: Catalyse support and opportunities for BBEE/SMME through creative public/private partnerships [Economic transformation policy]	Support Emerging Farmers (Market access)
Provide a resilient, liveable, sustainable urban environment - underpinned by infrastructure supportive of a low carbon economy	Sustainable and integrated delivery of water, sanitation, energy and waste	BEE: Catalyse support and opportunities for BBBEE/SMME through creative public/private partnerships [Economic transformation policy]	Support Emerging Farmers (Market access)
A high performing metropolitan government that proactively contributes to and builds a sustainable, socially inclusive, locally integrated and globally competitive Gauteng City Region	Financially and administratively sustainable and resilient City	BEE: Catalyse support and opportunities for BBEE/SMME through creative public/private partnerships [Economic transformation policy]	Provide targeted groups with access to commercial and industrial property through the development of vacant land and the upgrade and Sweating of the Assets
Improved quality of life and development-driven resilience for all	Increased literacy, skills and lifelong learning amongst all our citizens	Skills Development: Develop a City skills strategy, focused on the skills supply/demand chain, first lends to the identification of consolidation of a list of critical scarce skills in the City to guide other initiatives	Establish and maintain a shared training academy (Skills development strategy) in partnership with other functionaries of CoJ
Improved quality of life and development-driven resilience for all	Increased literacy, skills and lifelong learning amongst all our citizens	Skills Development: Develop a City skills strategy, focused on the skills supply/demand chain, first lends to the identification of consolidation of a list of critical	Training staff in preparation for MotF Training of youth through EPWP process to become

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GDS outcome	GDS output / Other	IDP Programme / Activity	Project/Programme
		scarce skills in the City to guide other initiatives	employable in the job market
Improved quality of life and development-driven resilience for all	Food security that is both improved and safeguarded	Food security	FoodBank Operations Food for waste programme SMME support through Fresh hubs
A high performing metropolitan government that proactively contributes to and builds a sustainable, socially inclusive, locally integrated and globally competitive Gauteng City Region	Financially and administratively sustainable and resilient City	Conductive environment	Innovation in service delivery methodologies (Business transformation/BEE)

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Annexure 3: Alignment with Mayoral Priority Programmes

All programmes and projects are executed in strict compliance to the selected 7 Mayoral priority programmes to which JM will contribute.

Key priority number 1	Agriculture and Food Security
CoJ Focus	<ul style="list-style-type: none"> • Research and knowledge gathering • Community mobilisation in catchment areas of agri-resource centres and citywide • Promote access to safe affordable food • Supporting urban agriculture (agro-processing hubs, food empowerment zones)
JM Programmes	<ul style="list-style-type: none"> • Sustain agricultural stakeholder relationships / management programmes • Participate in Local Agri-forums and the FoodBank • Implementation of MotF • Food for waste linked • Agri-business ventures (Fresh hubs/Distribution centres)
Outcomes	<ul style="list-style-type: none"> • Enabled environment for high value vegetables & fruit to be sold locally linking small farmers in their own areas • Agribusiness Ventures and Farm Enterprises providing fresh produce which is locally grown • Food for growing urban population • Viable food procurement and distribution systems • Work with large food retailers and distributors to create localised system to ensure food security
Impact	<ul style="list-style-type: none"> • Sufficient production of quality produce for self-sustainment and trading balances for income • Effective participation by historic disadvantaged entrepreneurs in large transactions

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Key priority number 2	Sustainable Human Settlements
CoJ Focus	<ul style="list-style-type: none"> • Attract residents and businesses to increase density in transit development corridors • Ensure liveability of corridors i.e. facilities for health, education, culture and sport
JM Programmes	<ul style="list-style-type: none"> • Participate in City Deep logistics hub planning • Promote healthy living and food preservation and value adding on fresh produce • Introduction of distribution centres / fresh hubs in transit development corridors
Outcome	<ul style="list-style-type: none"> • New Transit orientated development corridor • Produce preserved food to extend FoodBank support packages to beneficiaries
Impact	<ul style="list-style-type: none"> • Transformation in work and live environment • Prevent people from going hunger
Key priority number 3	SMME & Entrepreneurship Development and Support
CoJ Focus	<ul style="list-style-type: none"> • Addressing poverty and income inequality • Creating conditions for economic growth • Identifying entrepreneurial and SMME key success areas and developing these
JM Programmes	<ul style="list-style-type: none"> • Develop BEE trading facilities • Link BEE participants to mainstream food business • BEE pack house operators, emerging agents, emerging farmers project • Targeted procurement practises • BEE support programmes
Outcome	<ul style="list-style-type: none"> • Decrease in unemployment rate; • Growth and sustainability of SMME sector in the City (through, amongst others, a focus on strategic procurement); and

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	<ul style="list-style-type: none"> Local economic development.
Impact	<ul style="list-style-type: none"> Creation of job opportunities in value adding activities Increased number of SMME & BEE entrepreneurs providing services and goods to JM
Key priority number 4	Active and Engaged Citizenry
CoJ Focus	<ul style="list-style-type: none"> Ensuring citizens take an active role in their communities One stop walk in centres
JM Programmes	<ul style="list-style-type: none"> Stakeholder engagements
Outcome	<ul style="list-style-type: none"> Enhancement of the vision of a caring municipality; Meaningful state-society engagement;
Impact	<ul style="list-style-type: none"> Women, youth and disabled in agriculture prepared to conduct trading One stop centre to guide aspiring entrepreneurs in fresh produce trading
Key priority number 5	Smart City
CoJ Focus	<ul style="list-style-type: none"> ICT upgrade in order to increase City's capacity to deliver quality services Joburg becomes a smart institution that enhances efficiency and productivity Smart service delivery Municipal services provided to households utilising the broadband infrastructure
JM Programmes	<ul style="list-style-type: none"> MotF will produce best quality ICT systems in its trading environment and food safety Fresh produce market operations best practises and MotF development Innovation in trading methodologies

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	<ul style="list-style-type: none"> • Linking of JM facilities with distribution centres
Outcome	<ul style="list-style-type: none"> • CoJ a technologically competent institution; • Johannesburg a Smart City with enhanced service efficiencies and productivity; • Smart and effective service delivery maintained as the norm; • Job creation through improved economic development environment
Impact	<ul style="list-style-type: none"> • Exponential growth in fresh produce trading • Linking semi-mobile markets with JM through the broad band system
Key priority number 6	Investment Attraction, Retention and Expansion
CoJ Focus	<ul style="list-style-type: none"> • Proactively promoting inward investment into the City of Johannesburg through various marketing strategies • Assisting existing potential exporters with market access to local and international markets • Providing relevant investment and export intelligence
JM Programmes	<ul style="list-style-type: none"> • Promote MotF as a regional market and establish external buyer companies in offices and facilities at JM (Sweating of the Asset) • Assist SMME exporters to develop in SADC region • Assist developing SMME's to access export opportunities in SADC region • Create a refined client and business opportunity data base and network
Outcome	<ul style="list-style-type: none"> • Investment friendly business environment; • Generate the rand value of trade and Investment business transactions; • Have a business to business matchmaking; • Expose SMME's and BEE's to business opportunities;
Impact	<ul style="list-style-type: none"> • International buyers establishing offices at JM and employ locally • Traders conducting large scale transactions

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	<ul style="list-style-type: none"> • Growth in number of businesses operated by targeted groups at JM
Key priority number 7	Green Economy
CoJ Focus	<ul style="list-style-type: none"> • Action plan for Green Infrastructure • Green jobs
JM Programmes	<ul style="list-style-type: none"> • Separation of organic and non-organic waste (energy strategy) • SMME's dealing with harvested non-organic material (green jobs) • Utilise food safe chemicals for sanitisation • Eradicate use of diesel forklifts • Generation (bio-gas, solar, and tri-generation) • Action plan for Green Initiatives
Outcome	<ul style="list-style-type: none"> • Job creation and income generation as a result of energy diversification; • City becoming a leader in innovation in respect of the green economy. • Energy generation through waste recycling;
Impact	<ul style="list-style-type: none"> • Transformation in agricultural production • Self-sustaining families and SMME's • Clean air & Safe food

Annexure 4: Contribution to the Economic Developments Cluster

Contribution to the Cluster: JM Projects

JM forms part of the Economic Developments Cluster. The company has therefore aligned its activities with the cluster to ensure the envisaged synergies for this unique cluster.

Cluster Objective Number	Key flagship programmes	Indicator	JM Projects 2015/16
1	Implementation of the commercialisation programme with all relevant stakeholders	Increase in trading at JM Attract more Exporters of produce (SADC Buyers and their trade offices at JM)	Establishment of MotF
2	Development of a short, medium and long term regional economic development implementation plans to be implemented City wide	City Deep as trade hub	MotF Sweating of the Asset
3	Development of short, medium and long term Township Economic Development plans to be implemented City-wide	Compliant trading and emerging entrepreneur development Forums with Stakeholders To enhance operations of MotF	MotF Sweating of the Asset Distribution centres
4	Develop a multi-agency enterprise delivery system for partnering with other stakeholders	Compliant trading and emerging entrepreneur development	MotF Sweating of the Asset
5	Identify and facilitate opportunities for SMME in the City Spend Implement BBBEE and Economic Transformation Policy	Targeted procurement practises	Development of emerging entrepreneurs (Women, Youth and Disabled)
6	Create jobs and entrepreneurs through the creation of economic opportunities targeted at Youth	Participation by Industrial Development Corporation (IDC) and entrepreneurs in	Converting waste to energy Creating a "Back-to-Back

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Cluster Objective Number	Key flagship programmes	Indicator	JM Projects 2015/16
	Waste reclaiming formalisation programme (with Pikitup)	project	Co-operative”
7	<p>Promote skills strategy within City Departments and ME.</p> <p>Co-ordinate skills development opportunities arising from the City economic activities</p> <p>Roll-out of the skills strategy city wide</p>	<p>Projects / Programmes in support of Emerging Producers, Emerging Agents, Emerging Traders, Emerging Tenants on JM site</p> <p>JM Academy - Partnerships with the CoJ skills hub</p> <p>Adherence to the CoJ Transformation Policy</p>	<p>Facilitating of fresh produce retail market facilities in marginalised areas with the proviso that products sold are from JM</p> <p>Increase share of fresh produce received from emerging farmers</p> <p>Promoting Emerging Agents and Entrepreneurs on site through the new Back-to-Back Co-operatives</p>
8	Remodel the skills hub into a multi stakeholders forum	Training of staff and emerging entrepreneurs	Develop skills
9	<p>Identify and facilitate opportunities for SMME in the City Spend</p> <p>Implement BBEE and Economic Transformation Policy</p>	Targeted procurement practises	Development of emerging entrepreneurs (Women, Youth and Disabled)
10	Create jobs and entrepreneurs through the creation of economic opportunities targeted at Youth	Target groups (Women, Youth and Disabled in agriculture)	Development of Targeted Groups
11	Promote the LMID as the preferred platform for capturing data of the City's supply and demand for skills	<p>Scope of training – Purpose designed</p> <p>EPWP employment opportunities</p>	Internal Skills development

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Annexure 5: Cross Cutting Activities

JM is primarily supporting the agriculture and food security priorities stemming from the nature of its business. However, partnerships with other CoJ functions bring about opportunities to add value to the overall programme and in this regard the cross cutting elements are listed in the table below.

Role of DED as cluster and cross cutting activities of JM

City Priority 3:- Agriculture and Food security		CoJ: Departments: Health and Social Development		CoJ Entities	
City Priority 3	Agriculture and Food Security support on cluster level	Social Development Department	Human Development Department	Pikitup	City Parks
DED Role	<ul style="list-style-type: none"> Expand commercial urban agriculture Support the JM to implement the MotF Disposal of land for agricultural purposes Integrate cooperatives into the agricultural value chain and into the CoJ Food Security programme 	•	•	•	•
Programmes/Projects	<ul style="list-style-type: none"> SMME and Entrepreneurship Development, Cooperatives Support, Township Economic Development 	•	•	•	•
JM	<ul style="list-style-type: none"> Sustain agricultural stakeholder relationships and link them to emerging producers/agents Train urban farmers on how to use JM as trading point Participate in Local Agri-forums Implementation of MotF Develop pack houses for BEE entrepreneurs at the JM site 	<ul style="list-style-type: none"> Indigent food parcel preparation and distribution Donation of seeds to produce food in food gardens 	<ul style="list-style-type: none"> Sponsor Go Jozi-healthy lifestyle programmes with fruit and vegetables 	<ul style="list-style-type: none"> Prepare and supply "food for Waste" food parcels 	<ul style="list-style-type: none"> Donation of seed received from seed producers

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City Priority 3:- Agriculture and Food security		CoJ: Departments: Health and Social Development		CoJ Entities	
City Priority 3	Agriculture and Food Security support on cluster level	Social Development Department	Human Development Department	Pikitup	City Parks
	<ul style="list-style-type: none"> Develop distribution centres in collaboration with JPC 				
JPC	<ul style="list-style-type: none"> SMME and Co and Informal Economy Support Dispose land for urban agriculture and Agro processing through JPC Implement the Township Economic Development Plans focusing on agro processing hubs, food empowerment zones. 	•	•	•	•

Annexure 6: Executive Management Team

The executive management team consists of the following members:

Simangele Sekgobela – Chief Executive Officer

Simangele Sekgobela has held executive positions in the public sector as Head of Department for the Departments of Agriculture and Rural Development in Gauteng (GDARD), Treasury, and Economic Development and Planning in Mpumalanga. She has also worked for Magalies Water as a Chief Executive Officer.

She holds a Master of Science in Economics from Hull University in the United Kingdom, a B Comm honours in Economics from UNISA, and a Bachelor of Commerce General from WITS University. She has also completed certificates in Corporate Governance with the University of Johannesburg and a Senior Secondary Teacher's Certificate from the Transvaal College of Education. She is currently enrolled for the Executive Leadership Development Programme at the Gordon Institute of Business (GIBS).

Simangele brings with her experience in Corporate Governance, Public Finance, Public Policy Development and Implementation, Programme Management, Strategy Development and Implementation, Transformation in the Financial Sector and Applied Economic Policy. She also brings with her a passion for championing the cause of the underprivileged, passion for the food industry, particularly in matters agrarian and of course, a determination to succeed in a sector that has traditionally been male dominated.

In her career as a business professional and management consultant, she delivered a number of business performance improvement solutions in the public and private sectors. Some of her career highlights include the establishment of the Economic Policy Unit at the Industrial Development Corporation (IDC), the transformation of Treasury in Mpumalanga, and the turnaround of Magalies Water from an institution with disclaimers to one with clean audits.

Bafana Dhlamini – Chief Financial Officer

Bafana is a qualified Chartered Accountant and has a postgraduate degree in Accounting and Auditing, B.Com (Accounting); B.Compt. (Hons/CTA), Advanced Certificate in Auditing.

Prior to joining the JM, Bafana worked for the CoJ Metropolitan Municipality – Group Governance as Deputy Director: Business Governance.

He thus has extensive work experience and a proven track record in the areas of financial reporting, financial management, audits, cash flow management, risk management, good corporate governance practices and plan, and in developing evaluation and monitoring models to ensure that municipal entities are adequately resourced and capable to meet their service delivery obligations.

Bafana was instrumental in the successful implementation of the conversion of financial reporting framework to full Standards of GRAP, which led to all CoJ Municipal Entities obtaining a clean audit report.

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He started the process of complete review of the annual reports of CoJ Municipal Entities, and did an enhancement of the reporting framework to ensure it incorporates and complies with the principle of King III on code of corporate governance, Municipal Finance Management Act and Companies Act requirements.

Some of his responsibility at his previous job included ensuring that there are efficient business processes and systems in place within the CoJ Municipal Entities in consultation with Board and Executive Management and provided an advisory service in the development of turn-around strategy.

He is pro-active, result-oriented, and proven capability to interact at all different levels. His vast experience and leadership skill ensures that those around him are able to develop to their full potential.

Thulisiwe Nkosi – Human Resources Executive

Thulisiwe Nkosi started her career in Human Resources (HR) many years ago in local government. She has matured in the field of HR with the exposure and involvement in professional bodies including the Institute of Local Government Managers (ILGM), Institute of Municipal Personnel Practitioners (IMPSA), Human Resource Council of South Africa (HRCOSA), Institute of Directors (IoD) and GIBS International Leadership Course.

She was the President of the IMPSA for two years leading the HR agenda in local government.

She is experienced in a broad spectrum of business management strategies including Risk Management, Corporate Governance and Project Management.

Thuli, as she is otherwise known, has over 20 years' experience in the HR field with a passion for Employee Wellness and Employee Development.

She has served as a Trustee for various Pension Funds and Medical Schemes. Her plan for the JM is to deliver a FRESH APPROACH to Employee Wellness.

Josiah Mazibuko – Executive Manager Core Operations

Joe Mazibuko is the Executive Manager: Core Operations. He was appointed from 1 October 2014 and is a member of the Executive Committee of the Joburg Market. Joe has over 25 years' experience working in industries such as the energy, information and communication Technology, Local Government, Engineering and management consulting and has occupied a number of key executive and senior management roles in both the public and private sector entities.

He has amassed extensive knowledge in the management of large, complex, multi-million rand projects in various organisations. His main area of specialisation is Operations Management, Business Strategy Development & Implementation Management, System Implementation and Strategic Management Consulting.

As the Executive Manager for Core Operations of Joburg Market, his key job functional outputs entail amongst others:

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- Providing strategic leadership, guidance and direction in the management of the Commission Business, Consignment Control, Compliance Services, Food Quality Assurance as well as Properties Administration;
- Directing and administering the integrated operational activities of Joburg Market to ensure compliance with established objectives and continuous provision of quality, cost, strategic direction and industry requirements.
- Managing Core Operations strategy implementation, in particular regarding operations management, budgets and timelines; and
- Ensuring quality control of all company output as pertains to customer acquisition and delivery of services.

Apart from other short term certificates, Joe counts amongst his qualifications the following:

- A Master of Science Degree in Engineering Management from the University of Warwick;
- A Senior Managers Programme from Henley Business School;
- An Information Technology Leadership Programme from the WITS Graduate School of Business Administration;
- A Management Development Programme from the University of South Africa;
- A National Diploma in Electrical Engineering as well as
- an Artisanhip Certificate as an Electrician.

Moronngoe Tladinyane – Executive Strategy and Transformation

Moronngoe leads and guides the Strategy and Transformation of the Joburg Market. She previously worked for SASOL Chemical Production sites (Secunda and Sasolburg) as Senior Scientist and SASOL Limited (Head Office) as a Senior Business Analyst in Strategy Division. She further worked for Mutual & Federal (Old Mutual Group) as Group Manager Strategy and recently was employed by Development Bank of Southern Africa in the capacity of Senior Strategist for the Strategy division.

Moronngoe counts amongst her qualifications the following:

- Bachelor's Degree (Chem.) – University of Cape Town
- Post Graduate Diploma in Business Administration – Wales University
- Master's in Business Administration – Regent Business School

Tshifhiwa Madima – Executive Manager Agribusiness

Tshifhiwa Madima is an Agricultural Economist by profession with a Master's Degree in Agricultural Economics from University of Pretoria. His Masters Degree research was on; Competitiveness of the South African Deciduous Fruit Canning Industry. Before obtaining a Master's Degree, he completed a Bachelor of Agricultural Management degree with the University of the North (now University of Limpopo) and an Honours Degree in Agricultural Economics with University of Pretoria.

He started his career as a Researcher in the Land Reform Unit of the then Land and Agriculture Policy Centre in the late nineties and after that he worked in various stages of the agro-value chain, from; upstream primary production as an Agricultural Economist at Limpopo Department of Agriculture, though, marketing at National Agricultural Marketing Council as Head of the Field Crops Section, to financing of the Agriculture, Food and Beverages sectors at the Industrial Development Corporation, and later, downstream Agro-processing sector development, as Director: Agro-processing at the Department of Trade and Industry.

Before joining the Joburg Market, Tshifhiwa was a Senior Technical Project Manager: Capacity Building, at the Food and Agriculture Organization of the United Nations in South Africa, a leading international organisation with a mandate to eradicate hunger at global level. The Capacity Building Project which he managed focused mainly on building the capacity of small holder resource poor farmers, particularly land reform beneficiaries and also the capacity of officials who are tasked with providing technical support to small holder farmers. His work experience in the Agricultural Sector span over 15 years.

Tshifhiwa is the Executive Manager: Agribusiness, and is in the main tasked with; - the development and implementation of Food Security and Agro Processing strategies aligned with the City of Johannesburg, - development of the Agricultural Intelligence resource center with in the Joburg Market, and – development of agro industry enterprises.

Annexure 7: Service Level Agreement between the City Manager and the CEO

No.	Aspect of the Services			Minimum acceptable service standard	Minimum acceptable turnaround time
1.	Information Technology function	1.1	Electronic Sales Processing System (Real Time trading system)	Downtime per annum 1.5 hours	30 minutes to the mirror/back-up system to go live. 1.5 hours to activate manual system
2.	Finance Department	2.1	Cashiering system (Wholesale transaction environment)	Payment queues: 20 minutes per customer	15 minutes to resolve queries during depositing
3.	Marketing and Communications	3.1	Customer enquiries at trading hall services points	Query resolution: 20 minutes	Activation of next level resolution mechanism: 15 minutes
		3.2	Customer accounts	Statement enquiries: 15 minutes	Activation of next level query: 10 minute resolution
4.	Consignment Control	4.1	Consignment control: Received produce for clearance at entrance gate	20 minutes per truck to clear	15 minutes per truck if queried on content
5.	Operations	5.1	Cold storage continuity during technical breakdowns	24 hours	8 hours to 2 nd tier continuity arrangements
		5.2	Ripening rooms continuity during a technical breakdown	48 hours	4 hours to 2 nd tier continuity arrangements
6.	Stakeholder relations	6.1	Dealing with external producer/supplier complaints	3 days to resolve	12 hours to first response

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No.	Aspect of the Services		Minimum acceptable service standard	Minimum acceptable turnaround time	
		6.2	Dealing with Market located queries from, agents, buyers and tenants	3 days	5 hours to first response
7.	Security	7.1	Security effectiveness measure	Achievement of a score of 4.8 (out of 5) for security measures in survey conducted amongst agents and business at the market.	By the end of the 2013/14 financial year

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Annexure 8: Service Delivery Agreement

The updated deliverables of the services delivery agreement between the shareholder and JM is depicted in the table below:

No	PIP	KPA	KPI	Unit	Target 2013/14 (Base year)	Target 2014/15	Target 2015/16
1	SMART CITY	OPTIMISATION AND GROWTH OF CORE FUNCTION					
		1.1	No. of phases implemented in upgrading existing infrastructure	Number	Maintenance plan implemented for year 1	4 phases of the year 2, maintenance plan implemented	Year 3, Consolidation Phase Maintenance plan implemented
		1.2	Commencement of phase 1 construction of MotF according to the specification	Number	Approved detailed design of MotF	Commencement of construction phase 1	Construction phase 2
		1.3	No. of site hygiene management systems implemented	Number	Approval of 1 site hygiene management plan	Implementation of hygiene management system	Implementation of revised hygiene management system
		1.4	% Increase of JM market share in relation to FPMs	% Cum	38.75	39.25	40.00
					R 5.3Bn	R 5.5Bn	R5.7Bn
		1.5	No. of export desks established to accommodate buyers from SADC regions	Number (Cum)	New	1 Export desk established	Conduct roll out of export desk regional development initiative phase 1

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2	SMME & ENTREPRENEURIAL SUPPORT	TRANSFORMATION / BEE	KPI	Unit	Target 2013/14	Target 2014/15	Target 2015/16
		2.1	% of phase 1 - change management plan implemented (3 phases in 3 years)	% of Phase 1 (Cum)	New	100	100
						1 Plan	1 Plan implemented Phase 2
							1 Ratio Plan
		2.2	% achievement of BEE portion targets in total procurement	%	74	75	76
					R 95,583M	R 210,175M	R 305,816M
		2.3	R/M targeted turnover of emerging agents achieved	R/Millions (Cum)	R150M	R200M	R245.0M
		2.4	Increase number of emerging agencies	Number	2	3 agencies established	3 agencies appointed
		2.5	No. of access plans implemented for emerging farmers to JM	Number	New	3 access plans implemented	Roll out of access plan to 1500 beneficiaries
		2.6	No. of co-operatives established to conduct apron services at JM	Number (Cum)	New	3 Co-operatives established	4 Co-operatives established
2.7	No. of informal distributors trained	Number (Cum)	New	80	110		
2.8	No. of index points achieved from surveys towards improved stakeholder satisfaction	Index	46	50	60		
			1 Survey	2 Surveys	2 Surveys		

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		2.9	No. of fresh hubs (distribution centres) established in PDAs	Number (Cum)	8	12 units established	Roll out of 16 hubs
		2.10	No. of promotional plans rolled out for MotF aimed at key stakeholders on Business-to-Business level (phase 1)	Number	New	1 X Promotional plan (Phase 1)	Roll out of 2 nd phase promotional plan for MotF
3	FINANCIAL SUSTAINABILITY & RESILIENCE	DIVERSIFICATION OF REVENUE	KPI	Unit	Target 2013/14	Target 2014/15	Target 2015/16
		3.1	R/M value of improved in surplus generation against budget	R/Million	≥0	≥0	≥0
		3.2	Maintain a clean Audit	Yes	Clean audit	Clean audit	Clean audit
		3.3	% Increase in collection levels for total billing	% (Cum)	95% R48.7M	95% R51M	97 R55.4M
		3.4	No. of innovation plans developed for a cashless environment	Number	1 Plan	1 Plan developed	Implement set 1
		3.5	No. of re-engineered finance processes implemented	Number	4 Sets (phase 1)	4 Sets (phase 2)	Phase 3 4 sets of applications implemented
		3.6	R/M value of CAPEX spent	R/Million (Cum)	R59.6M	R208.3M	R334.9M

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4	AGRICULTURE & FOOD SECURITY	FOOD SECURITY	KPI	Unit	Target 2013/14	Target 2014/15	Target 2015/16
		4.1	No. of functional pack houses launched to enable emerging agro-processors	Number	New	1 X central pack house (shared facility)	Establish pack house number 2 to enable emerging agro-processors
		4.2	No. of donations conducted to NGOs and indigent beneficiaries	Number (Cum)	550	750	820
		4.3	Increase in no. of tons in product on offer at JM	Tons (Cum)	1.08M	1.20M	1.3M
5	RESOURCE SUSTAINABILITY	SKILLS DEVELOPMENT	KPI	Unit	Target 2013/14	Target 2014/15	Target 2015/16
		5.1	% of total number of staff members trained to operate MotF trained (planned for phase 1 – 77candidates)	% (Cum)	New	100 77 candidates	100 Phase 2 planned for 120 candidates
		5.2	No. of Human Resource policies reviewed	No.(Cum)	20	24	27
		5.3	No. of performance management systems implemented	1 Plan	New	1 Performance management system implemented	Policy Review and test with updated MotF master plan
6	SMART CITY	GOOD GOVERNANCE (LEGAL AND REGULATORY COMPLIANCE)	KPI	Unit	Target 2013/14	Target 2014/15	Target 2015/16
		6.1	No. of SHE legislative compliance checklists completed	Number (Cum)	New	4 checklists of compliance completed	4 Checklists of compliance completed
		6.2	No. of new	Number	New	1 X Bylaw	Conduct

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			bylaws promulgated				training of agents and staff in bylaw provisions
		6.3	Reduce number of injuries - Occupational Health and Safety	Number (Cum)	New	<20	<17
7	GREEN ECONOMY	GREEN PROJECTS	KPI	Unit	Target 2013/14	Target 2014/15	Target 2015/16
		7.1	Number of Green Economy strategies implemented	New	Deliverable: Green economy to be included in the design and implementation of the SOA land as well as into the design of the MotF.	Deliverable: The development of green design philosophy at the JM, implementation of green projects and the promotion of emerging farmers and Agents	Deliverable: Develop comprehensive Energy Strategy to investigate energy generation through waste recycling;

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Annexure 9: Business Transformation/BEE on all Levels

JM views its transformation/BEE programme as follows:

- Linking CoJ transformation imperatives with the National Agri BEE code to produce a unique JM transformation/BEE strategy
- Transformation of the JM trading environment (The latter includes access to business opportunities, Women, Youth and Disabled in Agribusiness, Service Providers (SCM) and EPWP).

Supporting the CoJ Food Security objectives as embodied in GDS 2040 and the steps governing change comprises of 4 distinct elements/steps as follows:



Progress to Date

	Pillar	Description	Achievement Level
1	Enterprise Development and Ownership	Establishment of emerging agencies 6 (Fully owned by targeted group)	Emerging agency companies
2	Preferential Procurement	BBBEE, portion of total procurement	116% (2013/14)
3	Training and Development	Own staff as well as EPWP candidates	281 training sessions (2013/14)
		Study assistance to staff	R381 509 (2013/14)
4	Employment Equity	The overall employment equity plan for 2012/13	100% achieved (2013/14)
5	Socio Economic Development	FoodBank initiatives FoodBank initiatives	Increase from 1648 donations to 20 366donations within one financial year

The need for a special purpose vehicle

Mechanisms at the disposal of JM to affect its transformation/BEE objectives in this regard consist of the MotF and the introduction of a 'special purpose vehicle' to enable the empowerment of the targeted groups with meaningful participation.

The special purpose vehicle is to be linked with the advantages accruable from the operations of the MotF. The MotF offers the opportunity to introduce a Think Tank approach or a Round Table consisting of a number of commissions.

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A targeted scenario in year 5 of this transformation/BEE programme will be as follows:

- Wholly owned Black agencies 60%
- Large agencies ownership levels 49/51 in favour of Black ownership
- Funding of Black agents buying into large agencies achieved through the Back-to-Back Co-operative partnership
- Maintenance of trust by producers facilitated through partnerships in the Back-to-Back co-operative supported by a supplementary fidelity fund. (This fidelity fund will have more features than that of the APAC fund and will be a value added service provided by the co-operative).

Whilst the above scenario is only achieved in year 5 of the programme the importance of the preparation phase year 1-3 needs to be underlined. The following elements for consideration are briefly summarised.

The implementation of the MotF will require significant inputs to enable the eventual operation of a successful new environment.

During this process some uncertainty amongst role players may arise and a lot of stakeholder nurturing will be exercised.

Once the new market facility is proving success and value added services show results the various role players will participate with more vigour in the transformation/BEE programme.

The initial 5 year programme is based on the latter and provides for a piece meal but a very active process in achieving the transformation/BEE objectives.

Transformation in the trading environment

Impediments in commercial and emerging producer's co-operation:

- Commercial producers in the fresh produce industry currently supporting emerging farmers are difficult to identify and should be involved in the proposed JM co-operative.
- Emerging farmers seeking support are not suitably evaluated and provided with a comprehensive programme
- Support is given either on a regional or individual basis and cannot be linked to other support enticing the relevant emerging producers to utilise the services of JM (Fragmented approaches)
- There are insufficient communications to ensure support and monitoring of emerging farmers produce when such produce reaches JM
- Commercial black farmers cannot be identified and reported upon in the current JM database. They market under brands which render it difficult to identify such participants.
- JM's exact role in emerging farmer support is not being articulated as yet
- Chain store groups in SA compete with JM for produce from emerging producers by buying crops in the production phase.

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Transformation approach towards emerging farmers (also urban farmers):

- Create a 'back-to-back' co-operative system with producers and co-opt commercial producers and their growers associations to participate in the creation and support of the co-operative
- Involve Local-, National government, donors, NGO's and the financial sector to support the co-operative (I.e. JM's Bankers)
- Identify retired experts to assist in the development of the Co-operative
- Involve local and international providers of production means – i.e. Fertilisers, Pesticides, equipment, etc.
- Create close networks with representative bodies such as National African Farmers Union (NAFU) and growers associations
- Create within the networks databases and marketing planning data
- Create pack house opportunities on JM site to enable small producers to trade with multi-national buyers
- Create a morning market where the very small farmer can trade through a morning market
- Create a retail market place for sales to the public of various food products
- Link emerging producers with institutional market opportunities

The practical roll-out of the Transformation/BEE programme is illustrated in the table below:

Table 12: Transformation/BEE action list

No.	Action	Who	When
1	Industry engagement	JM task team under CEO guidance	30 Sept 2015
2	Determine think tank founding arrangements and conference	CEO Strategist Stakeholder relations	Mid October 2015
3	Drafting of conference content with stakeholders	Stakeholder relations	30 Sept 2015
4	Develop conference and conference materials as well as transformation logo for round table	Marketing	May to August 2015
5	Roll-out of first projects and arrange conference. Potentially link it with a key industry event (i.e. National Fresh Produce conference held annually)	Marketing	Mid March 2015

Annexure 10: Agriculture and Food Security – An Integrated Approach between CoJ and its Entities

Objectives of CoJ

- To break the intergenerational cycle of poverty
- Employment and sustainable livelihoods

Particular Focus

- A multi-pronged approach
- Urban Farmer support to generate a vibrant
- Urban food system
- Access to Markets and the right to food

Concerns

- The cost of transporting food
- Lifestyle diseases associated with rapid urbanisation

Instruments to overcome day-by-day hunger

- Food vouchers
- Food parcels
- Backyard gardens and linking participants with income generating activities
- Linkage with linear markets
- Networks with institutions such as NGO's

Up to 42% of citizens are food insecure. CoJ wants to reduce this level by 50% at the end of 2016.

To support people interested in farming by:

- Availing land for urban agriculture
- Promoting 'green' cultivation methods
- Incentivising deprived areas
- Create sustainable supply networks

To enhance market access for small farmers by:

- Developing infrastructure such as cold storage and processing facilities
- Building technical capacity to comply to food equality and safety standards
- Developing relationships for achieving partnerships with retailers
- Promoting affordable food pricing.

Create an environment nurturing healthy lifestyles and legal compliance.

Create access to food programmes by:

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- Enabling all households to affordable food
- Respond to beneficiaries in need of assistance
- Create enabling mechanisms such as:
 - FoodBanks
 - House hold food gardens
 - Food for waste programme

The CoJ intends to enable urban farming as:

- Large scale initiatives on available land
- Will be known as Food Empowerment Zones
- Land sizes between 1 and 100 hectares
- Emerging farmer support structure
- Clustering into SMME's and/or co-operatives

Groups of 50 will share in The CoJ intends to enable urban farming as follows:

- Private sector investment
 - Private operators may lease land but;
 - Will be subject to a mentoring arrangement
- Capacity to transform into manufactured food
 - Assist farmers to add value to produce
 - Institutions like SEDA and Gauteng Department of Economic Development (GDED) to be approached on financing
- Market access
 - Bring markets closer to communities
 - Enable supply to large retailers
 - Facilities and equipment

The City considers the following:

- Modern lifestyles lead to inadequate diet and consequent disease
- All residents must be targeted to enhance a healthy lifestyle.

Levers for the intervention are:

- Community programmes (Partnerships with schools, health clubs, etc.)
- Corporate focus
- Join private sector in rewarding best practice in promoting healthy lifestyles
- Educational and Awareness campaigns
- Utilisation of multi-media
- Create an enabling environment for high value food commodities e.g. vegetables, fruit & animal products to be sold locally linking small farmers in their own areas and sharing facilities

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- Agri-business Ventures and Farm Enterprises providing fresh, locally grown food for growing urban population and viable food procurement and distribution systems
- Work with large food retailers, distributors and manufacturers to create a localised system through which to ensure food security

Table 13: Agriculture and Food Security Priority Implementation Plan

Deliverables for current term of office

IDP programme	2013/16 Key Performance Area	2013/16 Target	Lead department
Access to Food	% Increase of food insecure households serviced	60% Increase of food insecure households serviced	Social Development
Urban Farmer Support	% Growth in market share of emerging producers	5% Market share acquired by emerging producers	JM
	Number of emerging farmers in all the Regions clustered into hubs sharing common facilities providing quality products to the markets ²	3 emerging farmers in all the Regions clustered into hubs sharing common facilities providing quality products to the markets	Social Development
	Number of food empowerment zones (large scale farming) established	4 Food empowerment zones incorporating emerging farmers and private sector within one farm fully operational providing animal and crop framing Diversified activities including manufactured food	City Parks Social Development
Healthy lifestyle	Increased knowledge on Food Production	27 000 learners exposed to the programme	City Parks
	% Compliance to food safety legislation by food premises inspected and work places putting in places systems promoting healthy living	100% compliance to food safety legislation by food premises inspected	Health
	% reduction in the malnutrition incidence children per 1 000 under 5 in	15% (5% annually) in children per 1 000 under 5	Health
	% of hypertensive patients controlled	50 % of hypertensive patients controlled	Health
	% reduction in the incidence of pneumonia cases in children less than 5 years	15% Reduction in the incidence of pneumonia cases in children less than 5 years.	Health
	% HIV positive babies born to HIV positive mothers.	At least 99% of HIV exposed babies born HIV negative	Health

JM views its food security support programme as follows:

- Implement the CoJ agenda for food security
- Implement MotF as transformation/BEE enabler integrating the Mandela Market
- Ensuring compliance to BEE sectoral targets (Agri BEE code)
- Refinement of a full BEE support strategy

² Hub and Spoke services expanded to increase farming skills to facilitate coordination of transportation, storage and marketing to be competitive Local packaging houses & processing facilities roll-out (hub & spoke principle)

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- Establish mechanisms for access to markets in partnership with the public and private sector.

JM Action plan for food security

The action plan of JM to execute the food security strategy is tabled below:

Table 14: Food security strategy action plan

Plan	How Achieved	By When	By Whom	Implications	Risk	Dependencies
Market Access for Urban farmers (PSP)	<ul style="list-style-type: none"> • Information dissemination on market access. • Training on quality and food safety requirements • Facilitate transport forums • Link urban farmers with industry forums (Growers associations) • Training on market operations, product packaging and grading and good agricultural practices. 	Jan 2016	TG CB Marketing	<ul style="list-style-type: none"> • Communication • Financial 	Lack of buy in by Stakeholders Failure of a number of individual projects	TG CB Marketing Stakeholder relations
Training initiatives	<ul style="list-style-type: none"> • Identify training initiatives for Urban Farmers • Identify beneficiaries to train in Agro-processing, food preservation and value adding and the whole market value chain 	Jan 2016	TG CB Marketing EPWP	<ul style="list-style-type: none"> • Financial • Communication • Grants 	Lack of participation Unsustainable programmes Lack of buy in by stakeholders	T G CB EPWP Marketing Key Stakeholders

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Plan	How Achieved	By When	By Whom	Implications	Risk	Dependencies
Access to food through FoodBank	<ul style="list-style-type: none"> Food parcel donations 3,500 Household food parcels per month to indigent families identified in the indigent register All donated food quality inspected Establish a bigger database of NGO's benefiting from the FoodBank Increase donations channelled at the FoodBank 	Continuous	TG CoJ - HSD Finance	<ul style="list-style-type: none"> Budget – R1.08m 	<ul style="list-style-type: none"> Creating dependency Wasteful expenditure Identifying the correct beneficiaries Not delivering on time 	TG CoJ - HSD Finance Beneficiaries Donors
Indigent funeral support	<ul style="list-style-type: none"> Support 700 indigent family funerals with standard vegetable packages 	Continuous	TG CoJ – HSD DED Speaker's office	<ul style="list-style-type: none"> Budget - R390k 	<ul style="list-style-type: none"> Beneficiary verification risk Duplications of donation 	
Food for waste	<ul style="list-style-type: none"> SLA with PIKITUP for funding of food parcels. Ensure that waste recyclers at JM will be deployed to do Separation of organic and non-organic waste The current waste recycling centre in the market premises be a 	Continuous (SLA in place)	Infrastructure Property TG SHE EPWP	<ul style="list-style-type: none"> Financial (Vouchers) Legal 	<ul style="list-style-type: none"> Not delivering on time Beneficiary verification risk Lack of effective coordination and implementation of the project 	JM PIKITUP CoJ

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Plan	How Achieved	By When	By Whom	Implications	Risk	Dependencies
	buy back centre for the waste recyclers in the market					
Establishing a donations committee	<ul style="list-style-type: none"> Establish a donations committee in order to regulate donations and sponsorships 	Aug 2015	All Departments	<ul style="list-style-type: none"> Management of donations Budget. 	Beneficiary verification risk Duplication of donations request Creating dependency	All Departments
Upgrading of the FoodBank facilities	<ul style="list-style-type: none"> Identifying bigger facilities for the FoodBank. Capex budget has been allocated to the FoodBank for the new facility's refurbishment. Ensure Food safety standards 	July 2015	TG Infrastructure SCM	Capex Budget : R1.5m	Delay in allocation of space Material quality and specifications Appointing of a proper contractor	SCM Property Infrastructure SHE Risk
Market to the people	<ul style="list-style-type: none"> Roll-out of the fresh hub units in identified regions. Set up distribution channels to in impoverished areas 	July 2015	Marketing CB	Budget Communication	Delay in roll-out programme Beneficiary verification risk Buy in from stakeholders	Marketing CB TG Stakeholders
Establish partnerships and linkages with key role-players and stakeholders	<ul style="list-style-type: none"> Linkage of producers with buyers through Market agents Collaboration with Youth in 	Oct 2015	CB Marketing TG Stakeholder		Poor coordination and implementation of programmes	JM CoJ National and provincial departments

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Plan	How Achieved	By When	By Whom	Implications	Risk	Dependencies
	<p>Agriculture and Rural Development (GDARD), CoJ, YARD, Women in Agriculture and Rural Development (WARD) and Comprehensive Agricultural Support Programme (CASP) and other relevant stakeholders</p> <ul style="list-style-type: none"> • Connecting communities to income generating activities which enable them to buy or receive food • Increase in volumes received from emerging farmers (as per company scorecard) 		Relations			Key stakeholders
Community outreach programmes	<ul style="list-style-type: none"> • Create maximum visibility of JM brand when executing community based programmes • Exhibitions 	Jan 2016	Marketing TG Commission Committees	<ul style="list-style-type: none"> • JM image in the community 	Marketing TG CB	Marketing TG Commission Committees
Community outreach programmes	<ul style="list-style-type: none"> • Create maximum visibility of JM brand when executing community based 	Oct 2015	Marketing TG Commission	<ul style="list-style-type: none"> • JM image in the community 	Marketing TG CB	Marketing TG Commission

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Plan	How Achieved	By When	By Whom	Implications	Risk	Dependencies
	programmes • Exhibitions		Committees			Committees
Food security summit	In collaboration with CoJ: Human Development	Oct 2015	JM: TG CoJ: Human Development	Collaboration with stakeholders and community food security in the CoJ	Lead department support	CoJ: Human Development

CB = JM: Commission Business
TG = JM: Targeted Groups
CoJ – HSD = Health and Social Department