



Western Cape
Government

Agriculture

BETTER TOGETHER.

2020

SIZA Monitoring & Evaluation Report

Annual Report 2019/2020

Quarterly Update Report – Q4 2019/2020



Contents

SIZA Data Platform update	2
Scope of the report	2
A. Annual Review	3
1. SIZA Membership breakdown.....	3
1.1. Active members.....	3
1.2. New members / Renewals	4
1.3. New member registration – Annual report per province	4
2. Social SAQ's.....	5
2.1. Social SAQ's per period	5
3. Audit per period.....	5
B. Quarterly Report – Q3 2019/2020.....	6
1. SIZA Membership breakdown.....	6
1.1. Active members.....	6
1.2. Primary members	8
1.3. Secondary / Tertiary members	9
1.4. Active members per type.....	10
2. New members / Renewals.....	11
2.1. New member registration	11
2.2. Member Renewals – Quarterly report	11
3. Membership per industry	12
4. SIZA Membership – Worker Summary	13
5. Self-Assessment Questionnaire (SAQ)	14
5.1. SAQ's per period	14
6. Audit Information	15
7. Non-Conformances.....	15
7.1. Top 10 Non-Compliant Areas.....	17
8. Risk distribution	18
8.1. Member Risk Categories.....	20
9. Improvement / Corrective Action	21
C. SIZA Beyond Audit Program.....	23
D. SIZA Market Acceptance	24

SIZA Data Platform update

MySIZA was launched on 1 June 2020, and has been a generally positive project. It allows SIZA to be competitive globally with best technology and also yet simple user experience for the different types of users.

The data migrations proved to be a big challenge but the developers and project team was able to transform majority of data into the new platform and have been fairly positive. This report is the first report that was constructed with data from the new platform

Scope of the report

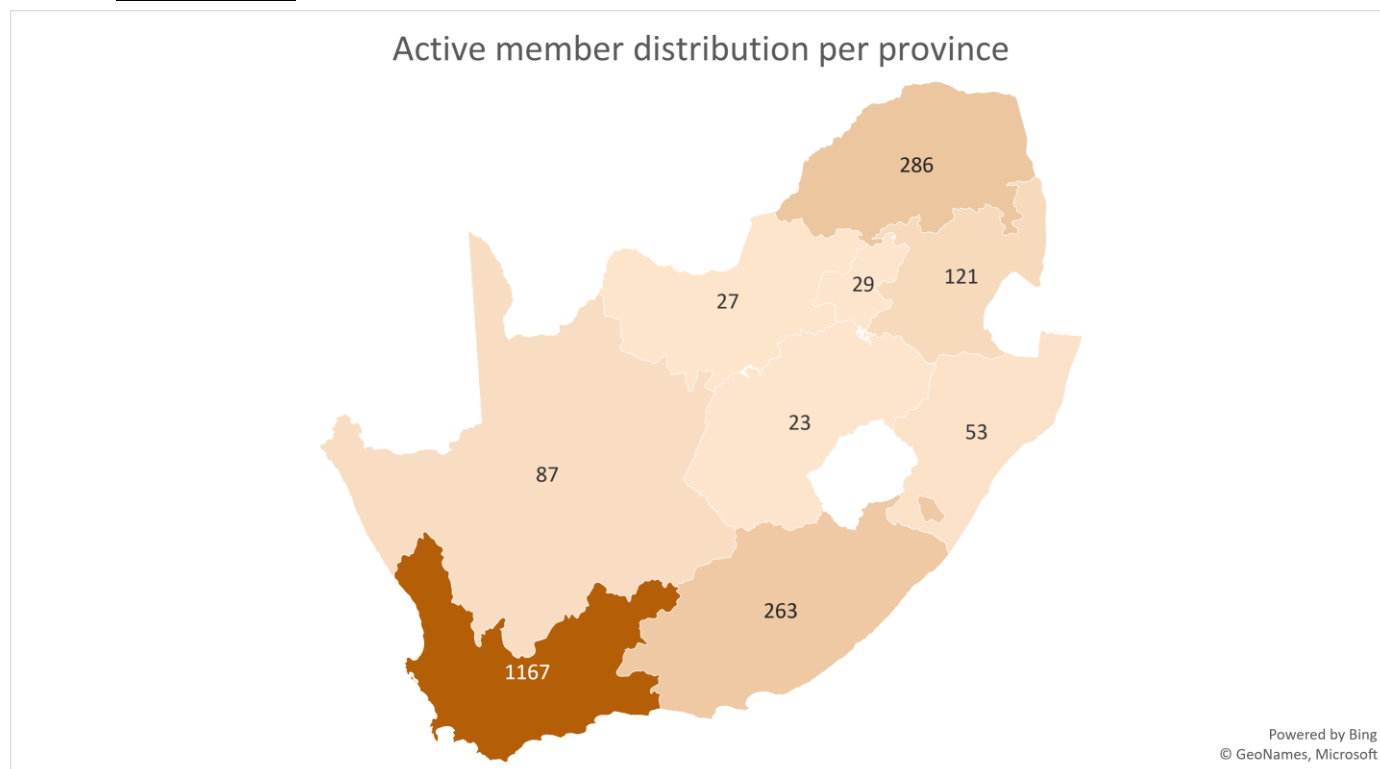
Annual Report Period 1 July 2019 – 30 June 2020

Quarterly Report: 1 April 2020 – 30 June 2020

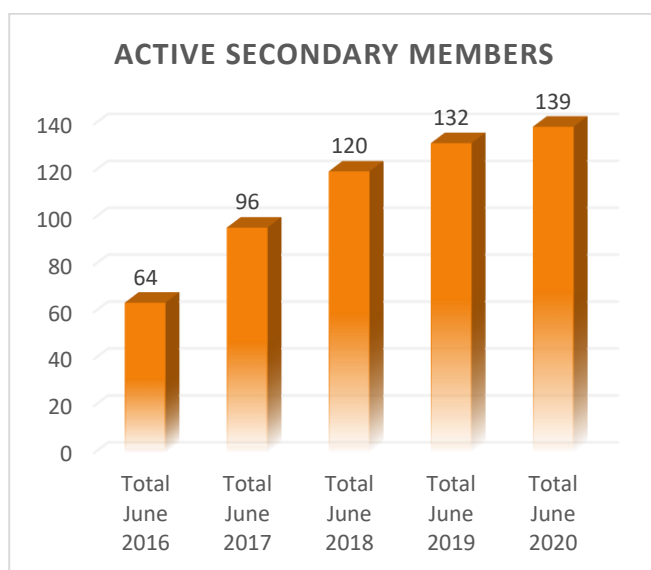
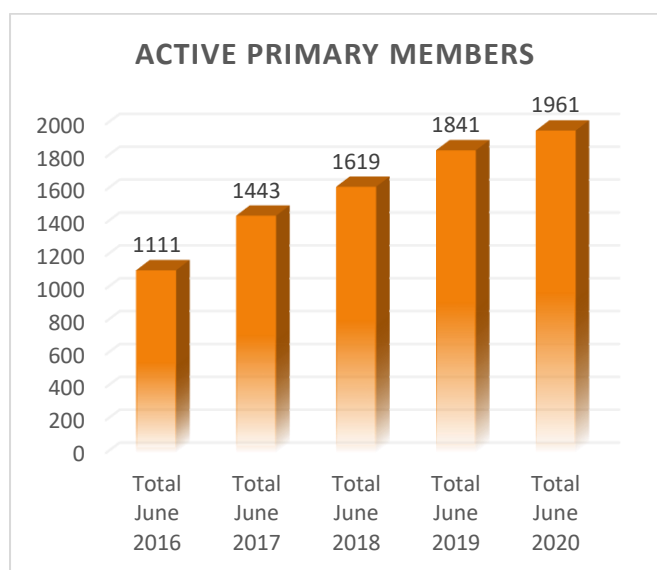
A. Annual Review

1. SIZA Membership breakdown

1.1. Active members



On 08 July 2020, there was 2103 active SIZA members on the MySIZA platform. This is 1.55% (32 members) more than Q3-2020. Compared to same period 12months ago, it is an increase of 6.59%

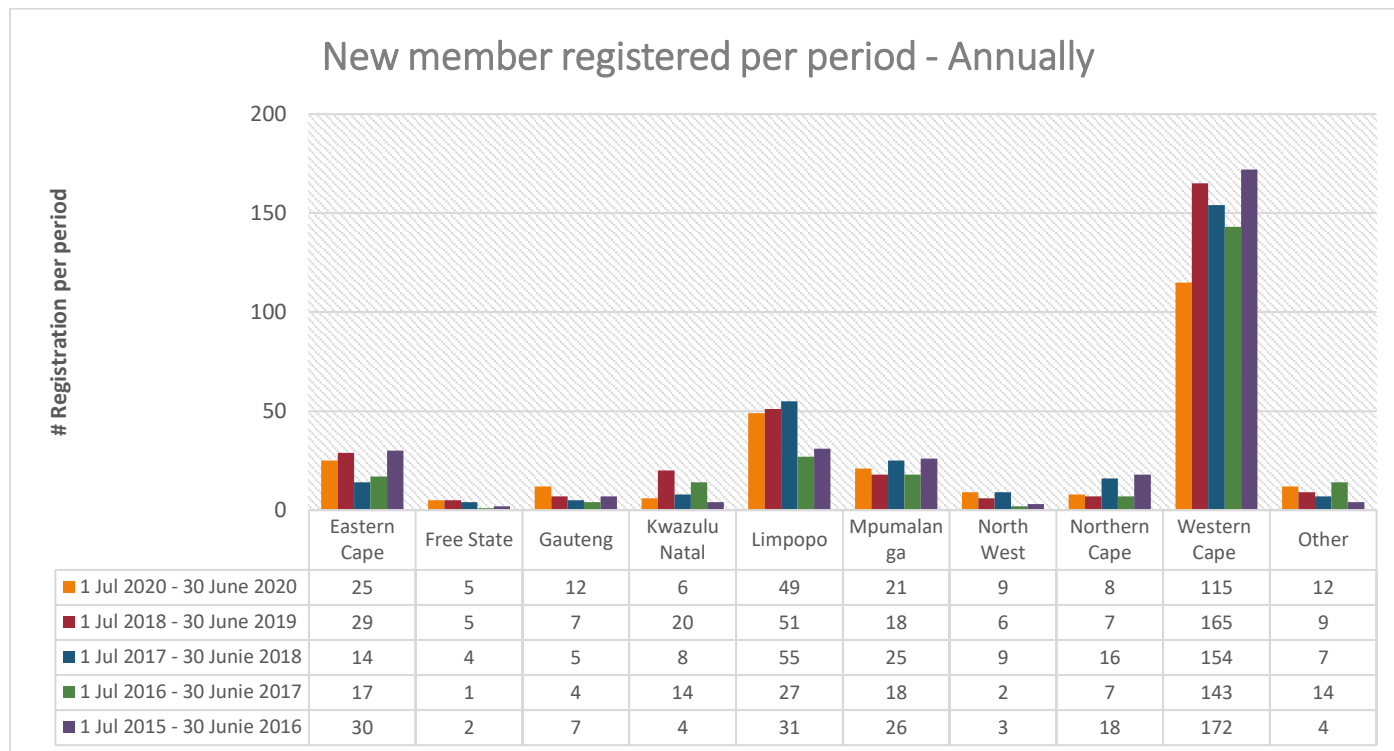


Primary member growth during the period was 6.5% (120 members)

1.2. New members / Renewals

This section indicates the growth of the SIZA membership base. The Data Platform has helped SIZA in managing the new registrations as well as providing easy access to information on renewal of memberships that needs to take place.

1.3. New member registration – Annual report per province



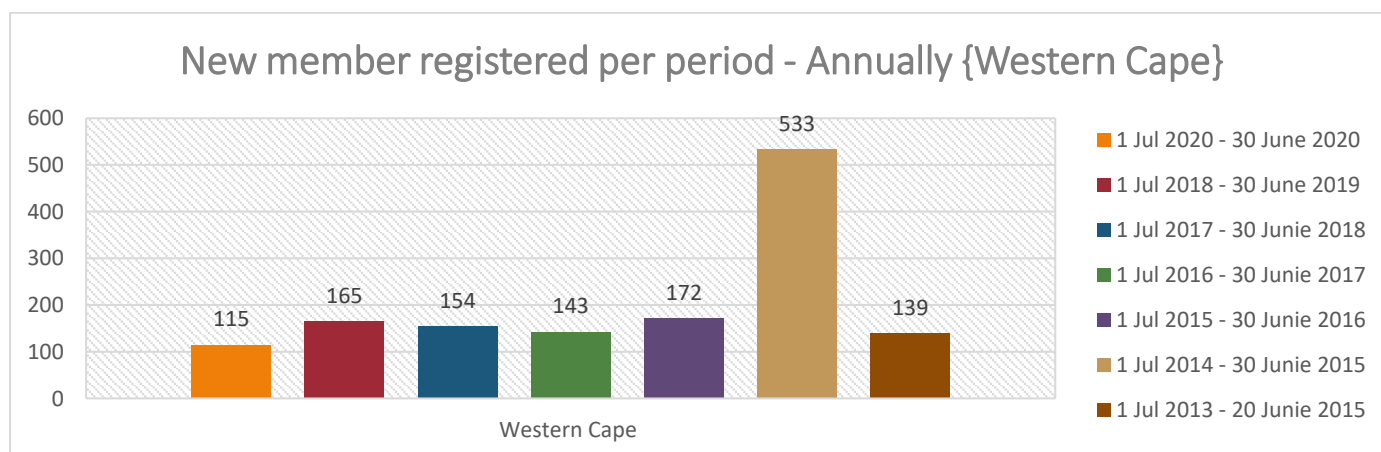
1 July 2015 – 30 June 2016 a total of 297 members registered.

1 July 2016 – 30 June 2017 a total of 247 members registered

1 July 2017 – 30 June 2018 a total of 297 members registered

1 July 2018 – 30 June 2019 a total of 317 new members registered

1 July 2018 – 30 June 2020 a total of 262 new members registered



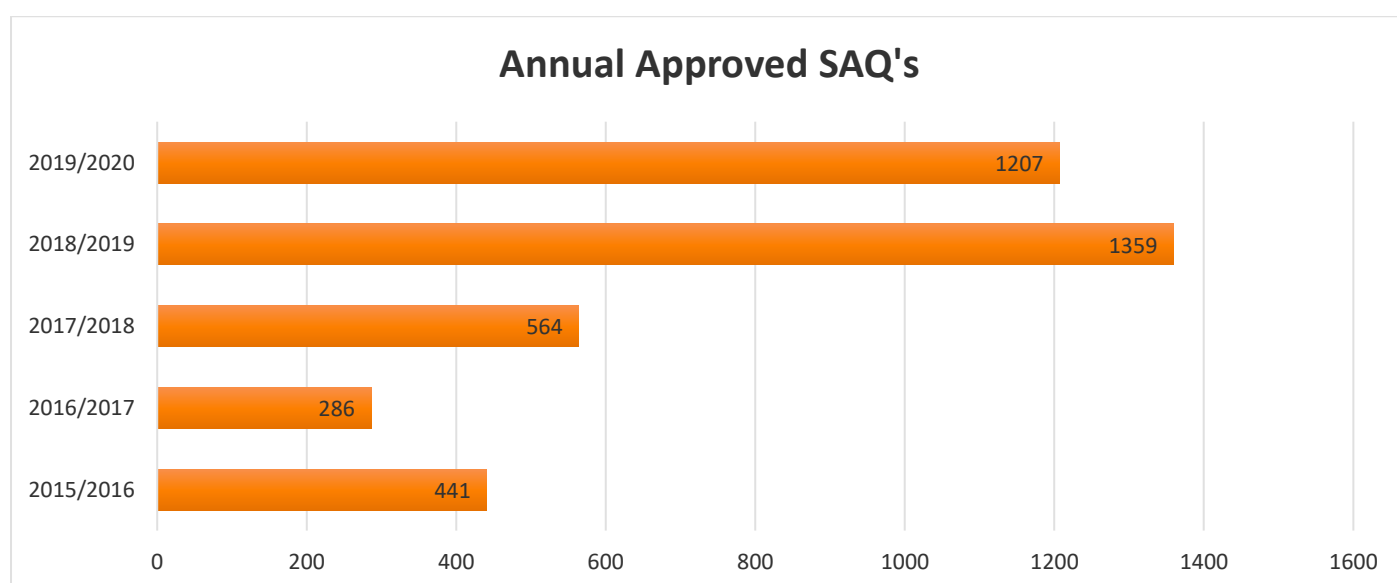
The current reporting period of 1 July 2019 – 30 June 2020 reported 115 new registrations in the Western Cape alone

2. Social SAQ's

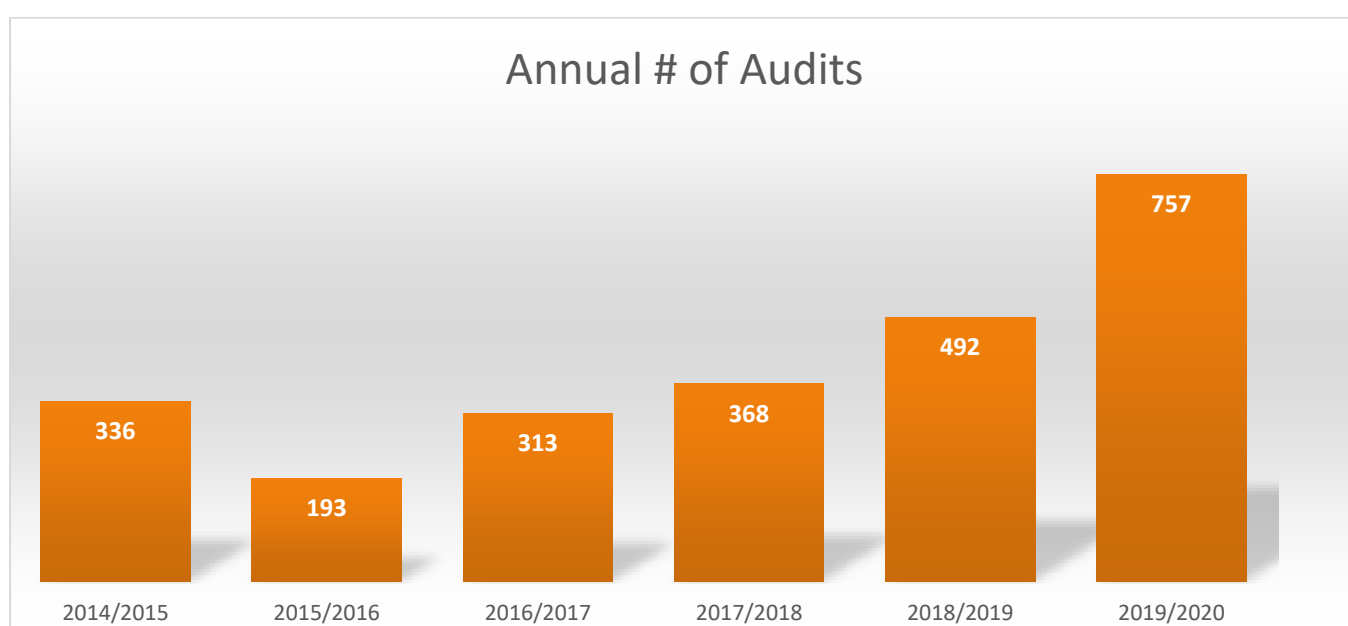
2.1. Social SAQ's per period

Members are required to complete SAQ on the SIZA data platform. Members need to have an 'Approved' SAQ before they can qualify to be audited. It is also a requirement to submit SAQ annually. An SAQ with 'Approved' status means it has been reviewed by SIZA.

In the reporting period of 1 July 2018 – 30 June 2019 the Western Cape submitted and had approved 737 SAQ's – 60.26% of all SAQ's approved across all provinces. This annual period also had an increase of 255 (1223 in total) more SAQ's that was approved compared to the previous year. In 2018/2019 a total of 317(new members) and 1560 (renewals) took place which means that a total of 1877 members were required to submit SAQ's – thus 65% of members in the year had the SAQ's approved



3. Audit per period

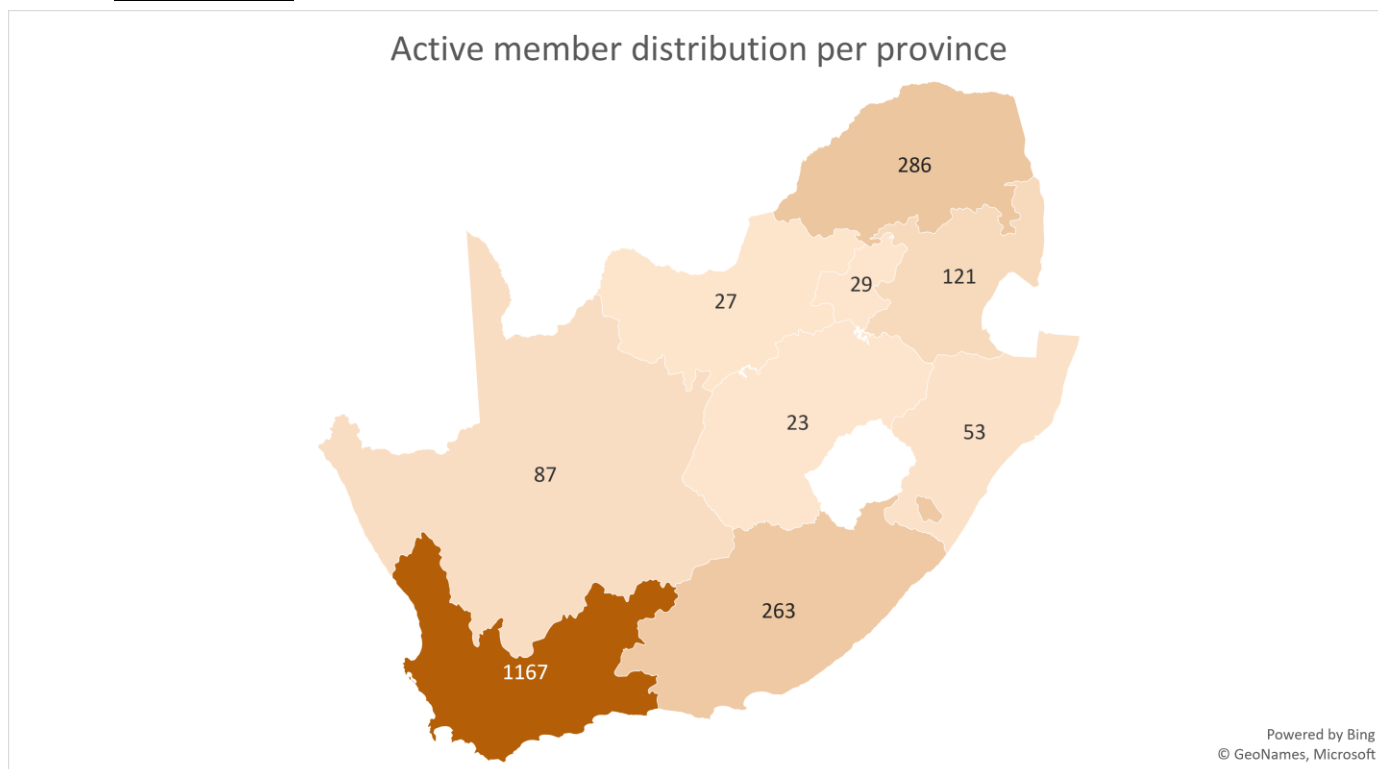


2019/2020 has been the busiest auditing period to date with 757 (53.86% increase) audits done in the cycle.

B. Quarterly Report – Q3 2019/2020

1. SIZA Membership breakdown

1.1. Active members



On 08 July 2020, there was 2103 active SIZA members on the MySIZA platform. This is 1.55% (32 members) more than Q3-2020. Compared to same period 12months ago, it is an increase of 6.59%

The Western Cape still records the highest SIZA membership which is currently on 1167 active members

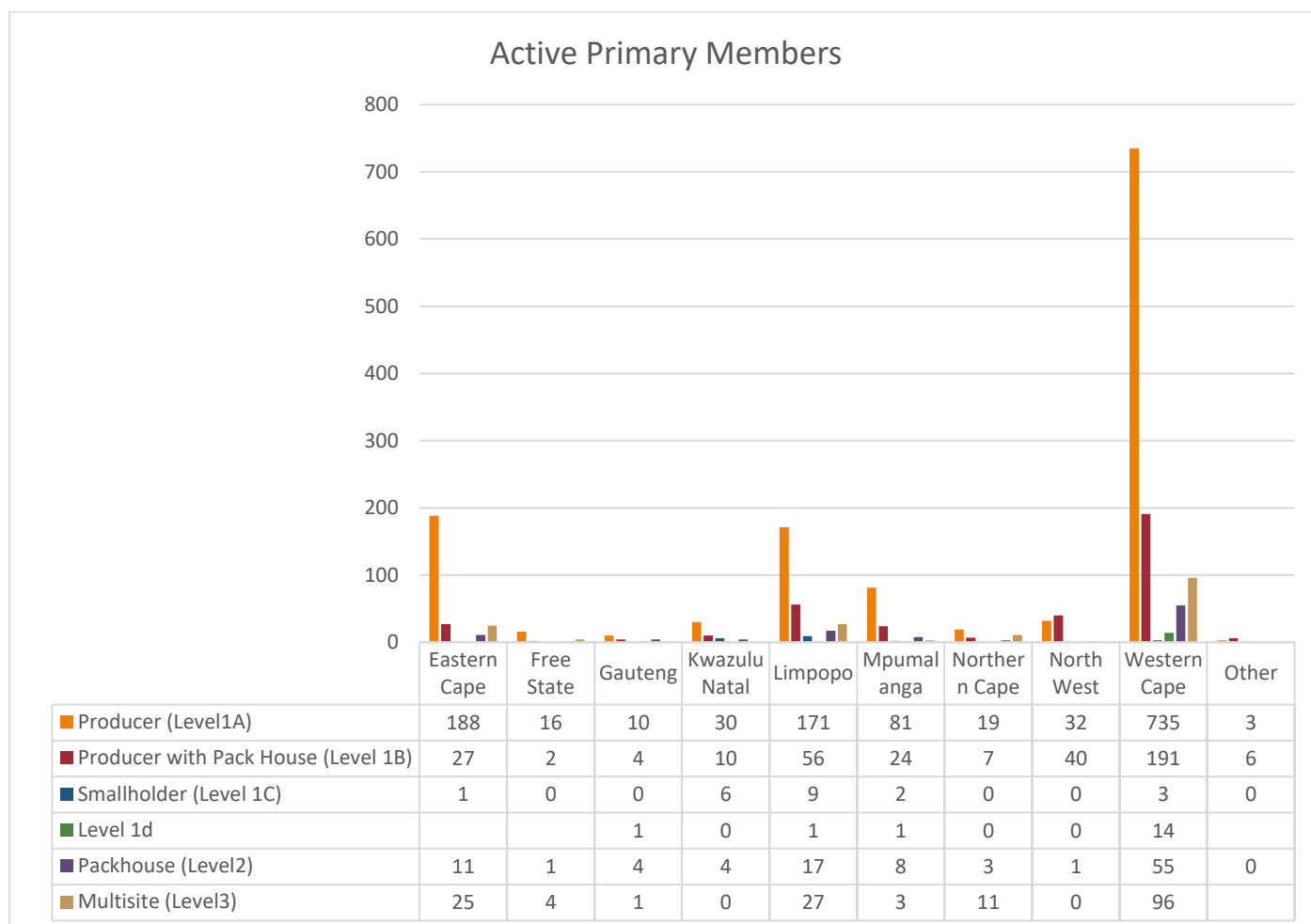
A small change was implemented in the membership structure, and members can now register in any of the following groups

- *Level 1a: Producer*
- *Level 1b: Producer/Packhouse - A business that packs or processes in their own facility and also has primary farming activities. The farm and packhouse must be one entity.*
- *Level 1c: Smallholders/Emerging Growers These are farms that need to become compliant, have never been audited before and are part of the SIZA capacity building programme.*
- *Level 1d: Temporary Employment Services (Labour Brokers) - A person or company that provides labourers to client companies on a temporary basis.*
- *Level 2: Packhouse/processing facility - An independent pack house/processing facility that operates independently and packs/process on behalf of primary producers.*
- *Level 3: Multi-sites - The multi-site principle is applied where the organisation and multiple sites are registered as one legal entity and has one management system that is controlled centrally at a head office base. The legal entity would need to declare the production units to be included in the audit scope based upon risk factors, including distance from the head office, details and clarity of information submitted on the SAQ per production unit, size of*

the different production sites, types of commodities produced by the production sites, as well as confirmation of implementation of the centralised quality management system across all production sites in the legal entity.

- *Level 4a: Export agent*
- *Level 4b: Import Agent*
- *Level 5a: Retailer*
- *Level 5b: Minor Industry Association - Industry representing under 5 000 hectares*
- *Level 5c: Major Industry Association - Industry representing above 5 000 hectares*
- *Level 6: Not-for-Profit organisation - Organisations which do not need to be linked to Level 1, 2 or 3 member sites.*
- *Level 7a: Social (Ethical) Audit Bodies*
- *Level 7b: Environmental Audit Bodies*
- *Level 8: Training Service Providers/Consultants/Remedy Programmes - Companies that are recognised by SIZA and who need to be visible as recommended programmes to the producers.*

1.2. Primary members

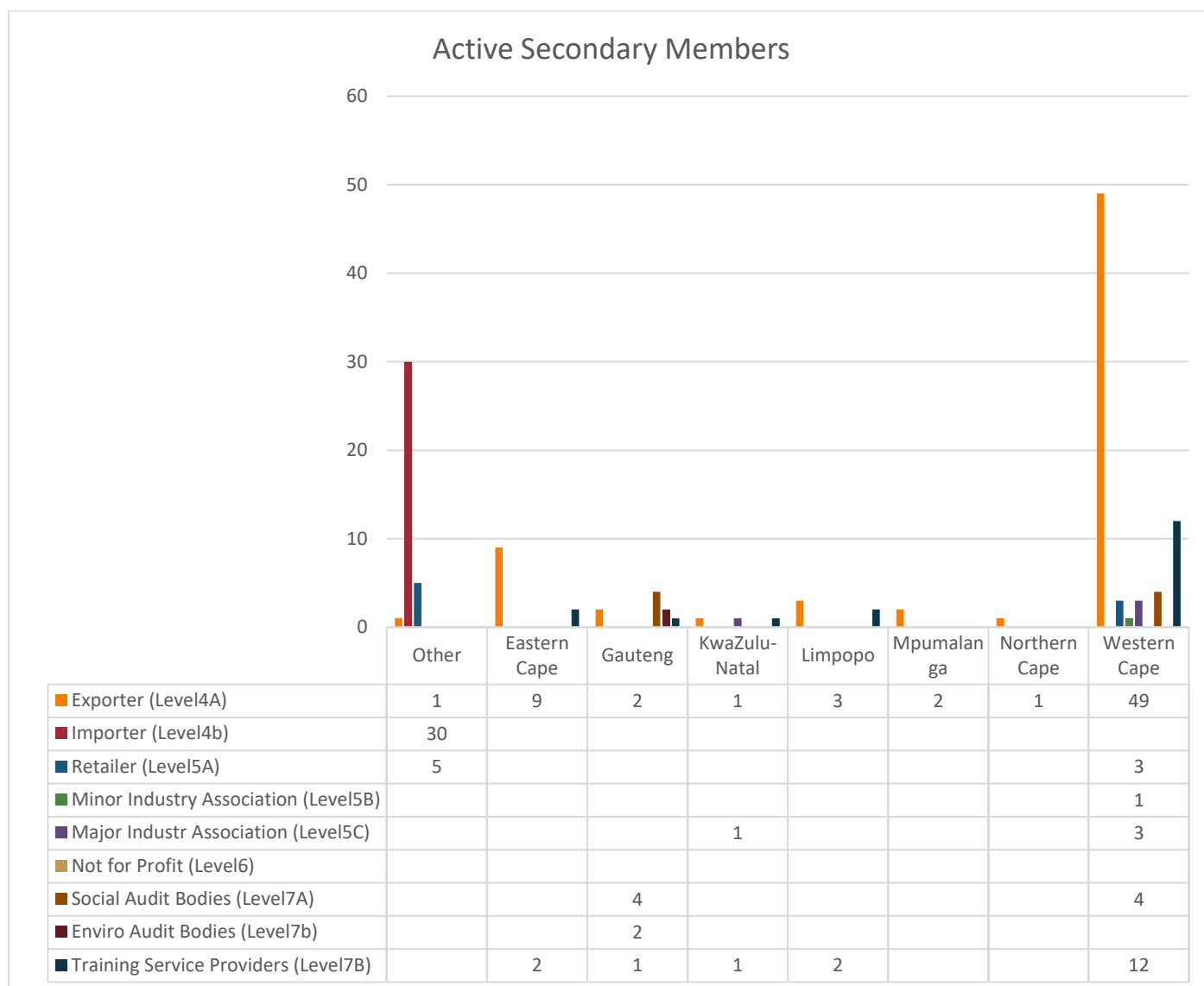


Primary member (those that qualify or would be required to undertake 3rd party audits) have increased by 1.40% during Q4 of 2019/2020. This is an increase of 27 members since end March 2020.

The highest percentage of members remains to be Level 1A – a grower with one farm and no packhouse. Level 1A currently represents 65.53% of all primary members and 735 (57.20%) of all Level1A growers are based in the Western Cape.

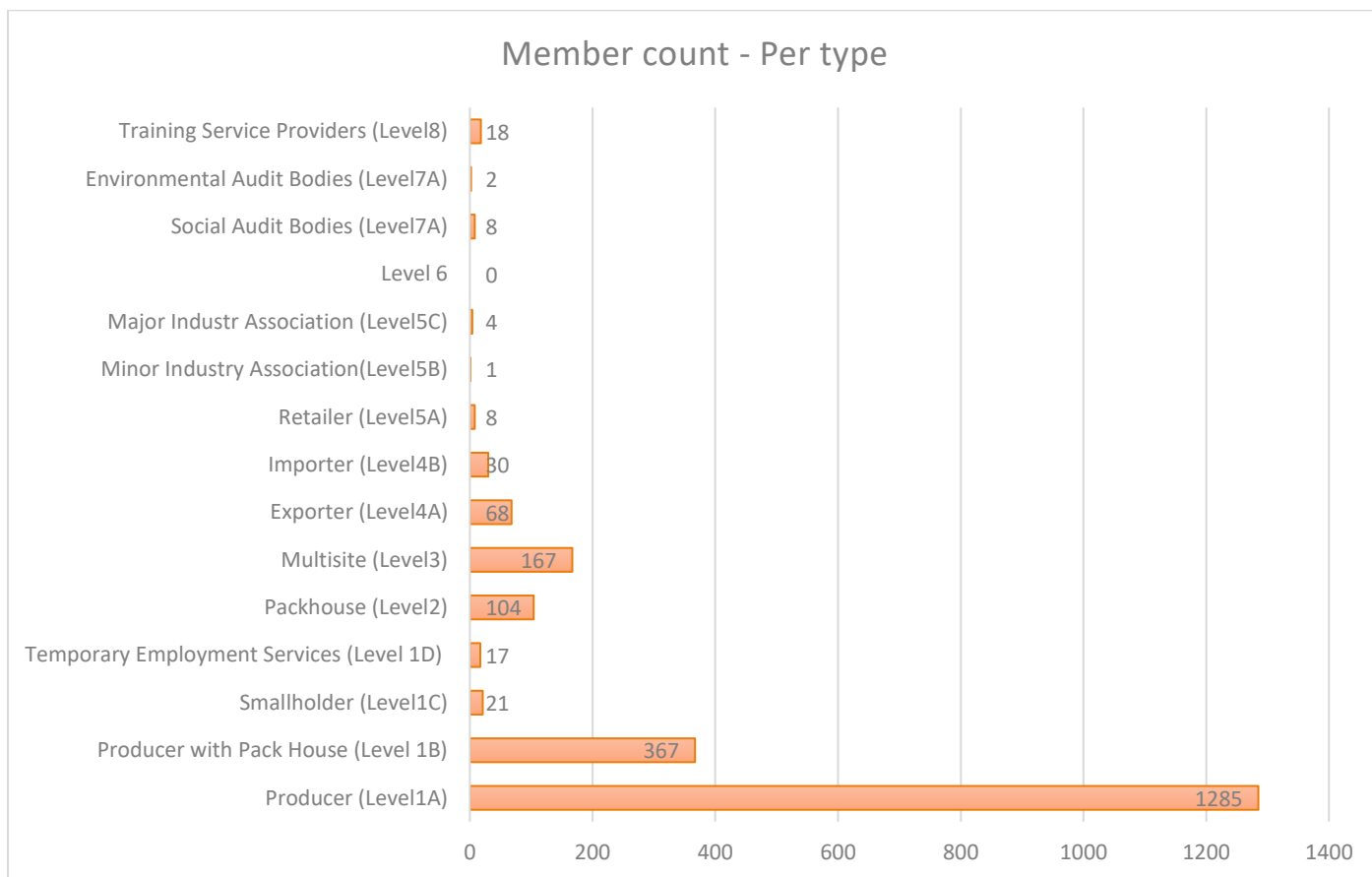
The continued improvement of Ethical Trade and Fair Labour practices on farms in South Africa is focussed at this group

1.3. Secondary / Tertiary members



Secondary and Tertiary members are those members that are either managing risks through auditing primary members or those that are service providers to the SIZA programme. A total of 139 members is registered on the SIZA platform and several of the buyers from suppliers in South Africa choose to have visibility via the SEDEX platform in the FSA-AB account. SIZA have also recently implemented an interface with the GlobalG.A.P database where observers are able to see a status update of SIZA members on the GlobalG.A.P database. Further information about SIZA acceptance is detailed in this report.

1.4. Active members per type

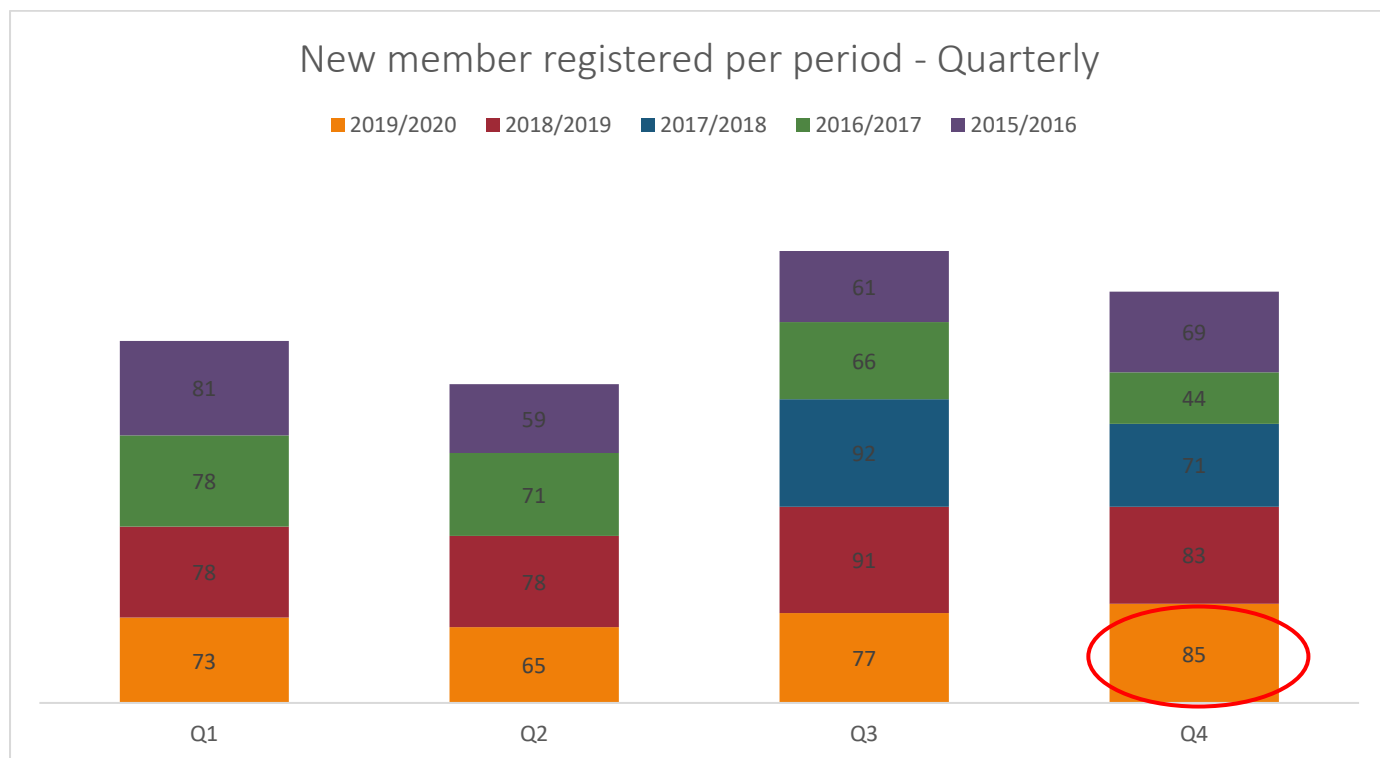


The 1285 Producers (Level 1A) represents 61.19% of the total membership base.

2. New members / Renewals

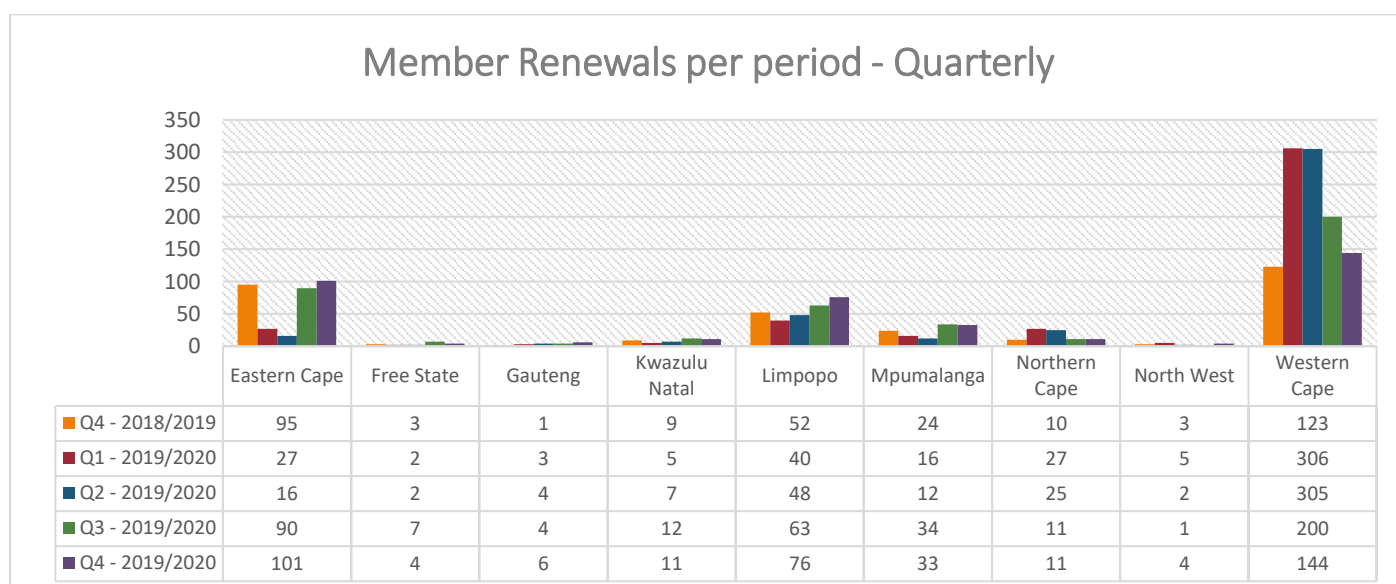
This section indicates the growth of the SIZA membership base. The Data Platform has helped SIZA in managing the new registrations as well as providing easy access to information on renewal of memberships that needs to take place.

2.1. New member registration



85 new members was registered in the period.

2.2. Member Renewals – Quarterly report



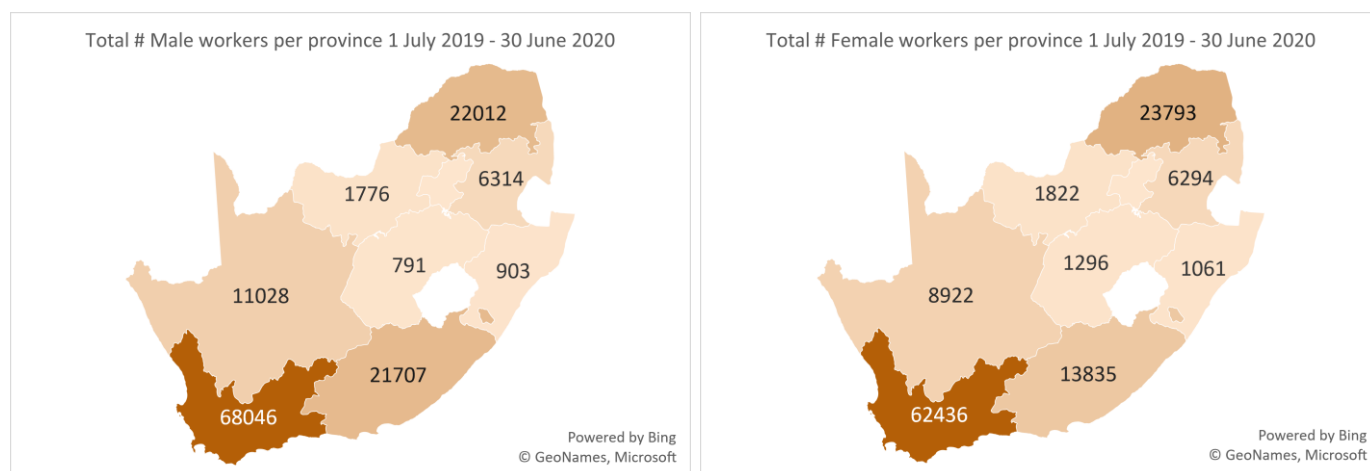
In Q4 of 2019/2020 a total of 399 members renewed the SIZA subscriptions. There was 144 in the Western Cape which accounted for only 47% of renewals.

3. *Membership per industry*

Industry	30 June 2019	30 September 2019	31 December 2019	31 March 2020	
Citrus	24.56%	24.29%	24.13%	24.24%	↑
Pomefruit	15.67%	15.42%	15.58%	15.48%	↓
Stonefruit	14.41%	14.43%	14.29%	14.05%	↓
Table Grapes	12.25%	12.26%	11.94%	11.84%	↓
Mangoes	0.67%	0.70%	0.78%	0.81%	↑
Litchis	0.97%	1.06%	1.03%	1.03%	-
Avocado	3.99%	3.97%	3.98%	4.01%	↑
Cherries	0.97%	0.96%	1.00%	0.99%	↓
Pomegranates	1.56%	1.54%	1.69%	1.65%	↓
Berries	3.29%	3.36%	3.64%	3.48%	↓
Olives	0.60%	0.61%	0.66%	0.68%	↑
Dried Fruit	0.77%	0.74%	0.75%	0.78%	↑
Canning Fruit	0.67%	0.64%	0.66%	0.68%	↑
Flowers	0.67%	0.64%	0.75%	0.81%	↑
Vegetables incl. Potatoes	3.66%	4.45%	4.42%	4.57%	↑
Wine	3.69%	3.71%	3.64%	3.60%	↓
Grain	0.47%	0.45%	0.47%	0.53%	↑
Meat / Dairy	1.26%	1.26%	1.22%	1.21%	↓
Other	9.88%	9.88%	9.37%	9.57%	↑

With the development of the new platform, the breakdown of industry and commodities have been improved, but unfortunately not compatible with the old data model. SIZA will encourage all its members to update the industry fields and the data will be processed as seem fit, when enough members have updated its content.

4. SIZA Membership – Worker Summary



The following summary seeks to present information relating to farm workers involved with the SIZA program. Data was obtained from 'approved' SAQ's for the period 1 July 2019 – 30 June 2020

During the SAQ's, primary members are asked to complete a table and list the following:

- Permanent (Male and Female)
- Temporary (Male and Female)
- Migrant (Male and Female) – "This worker type is a foreign National which do not hold South African passport and would need legal authorization to work in South Africa e.g. Lesotho or Zimbabwean workers"
- Agency (Male and female) – "This worker type is recruited and paid via a 3rd party e.g. Labour Brokers, Labour Service Providers, Temporary Employment Service Provider or Sub Contractor"

The table below indicates the worker distribution per province and worker type.

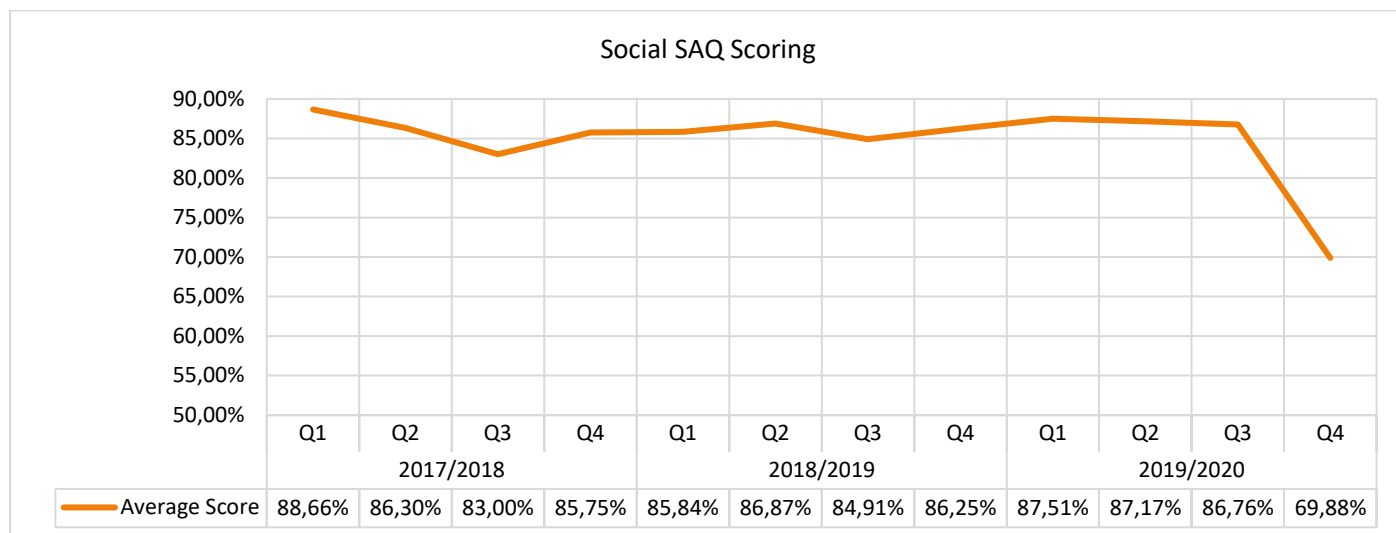
<i>Province</i>	<i>Permanent</i>	<i>Temporary</i>	<i>Migrant</i>	<i>Agency</i>	<i>Total</i>
<i>Eastern Cape</i>	8056	24686	1964	836	35542
<i>Free State</i>	915	1106	66	0	2087
<i>Gauteng</i>	130	187	8	0	325
<i>Kwazulu Natal</i>	1078	874	12	0	1964
<i>Limpopo</i>	15721	23763	4517	1804	45805
<i>Mpumalanga</i>	5519	5877	354	858	12608
<i>North-West</i>	1072	1274	1176	76	3598
<i>Northern Cape</i>	2973	16416	477	84	19950
<i>Western Cape</i>	39336	75980	10280	4886	130482
Total	74800	150163	18854	8544	252361

Western Cape accounts for the highest number of employee's due to the large number of memberships that is based in the Western Cape. 52% of all farm workers is Western Cape based

5. Self-Assessment Questionnaire (SAQ)

The purpose of SAQ's are for the primary members to have an opportunity for self-evaluation. It is also important for the auditing process as the auditors will be using the SAQ information as a benchmark during the 3rd party audit.

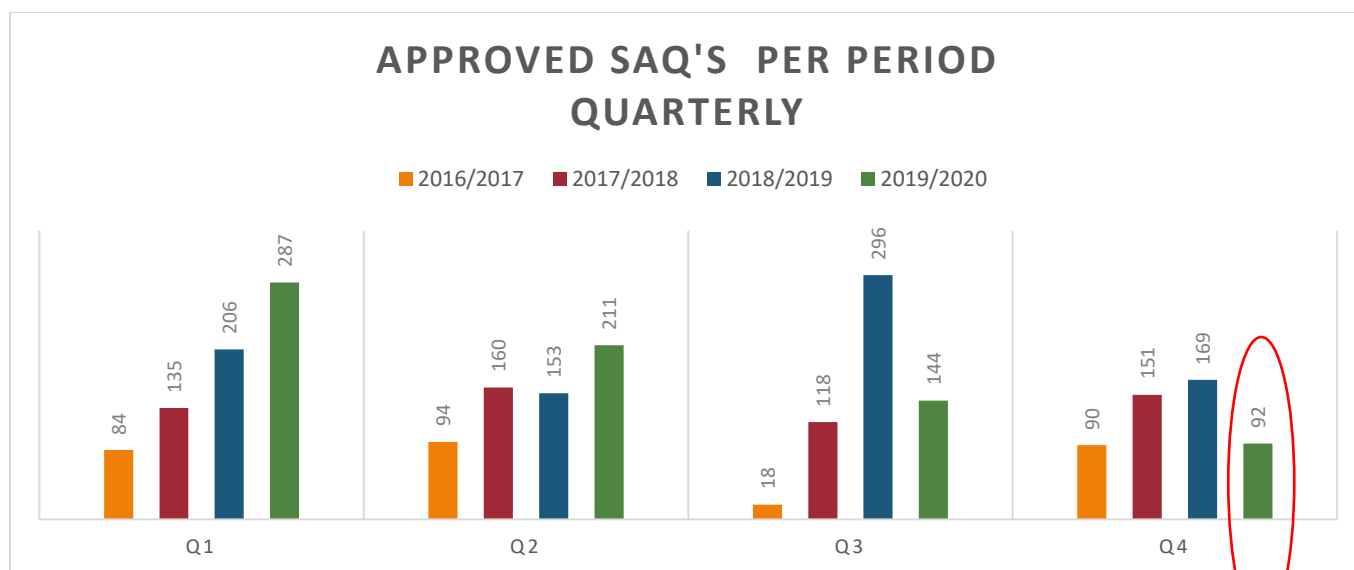
The SAQ will also indicate growth from year to year as the primary members are required to complete a SAQ on an annual basis. The SIZA platform allows feedback to the member by means of a risk indicator.



The average score obtained for all approved SAQ's in Q4 of 2019/2020 is standing on 69.88%. The sharp decline is due to an update scoring model on the new MySIZA platform. The revised scoring calculations SAQ an overall drop in percentages of between 10-15%

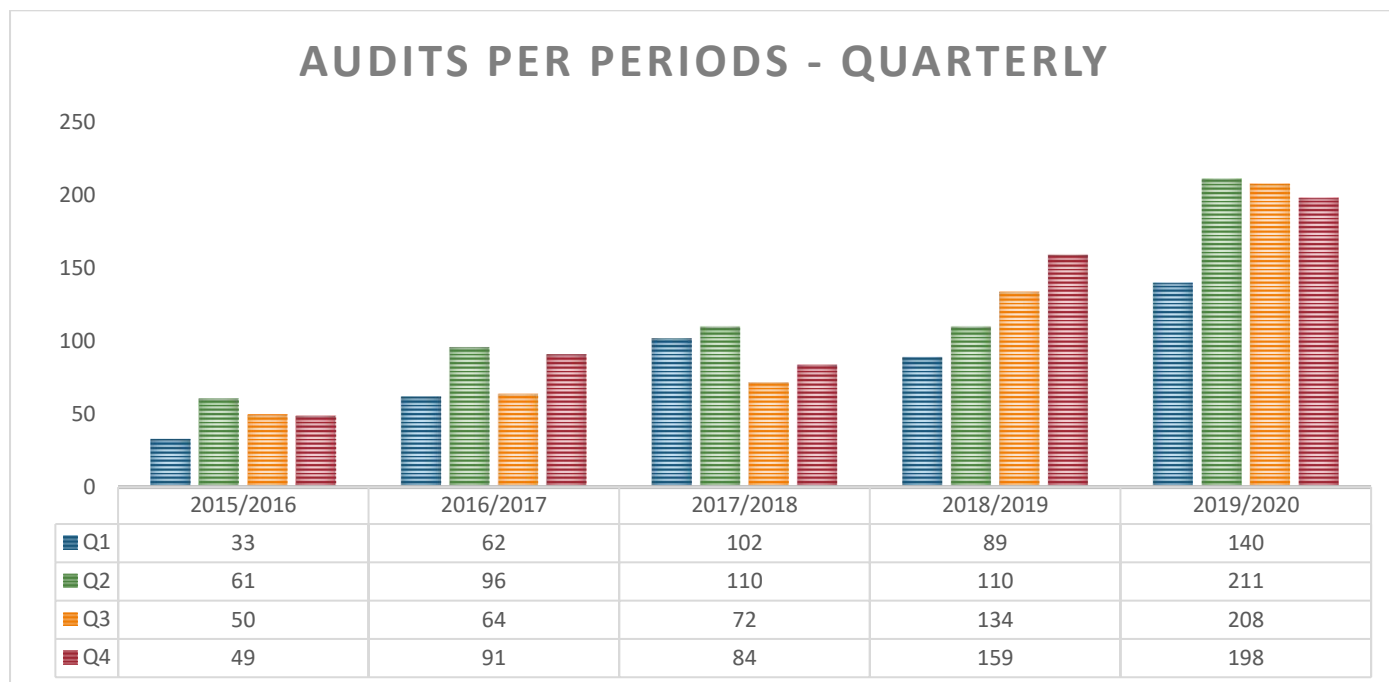
5.1. SAQ's per period

Members are required to complete SAQ on the SIZA data platform. Members need to have an 'Approved' SAQ before they can qualify to be audited. It is also a requirement to submit SAQ annually. An SAQ with 'Approved' status means it has been reviewed by SIZA.



In Q4 of 2019/2020 144 SAQ's was approved.

6. Audit Information



- In Q4 of 2019/2020 - 198 audits were done.

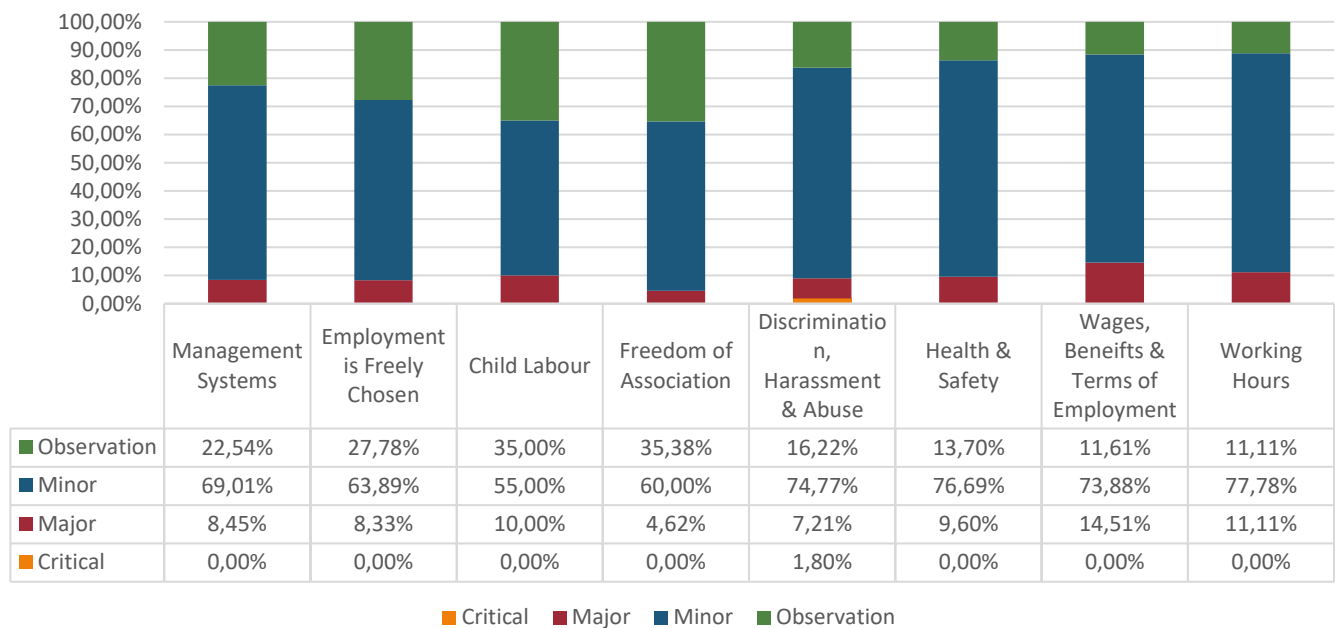
7. Non-Conformances

The non-conformances raised during audits is indicative of the risk areas in the industry. Future data will also show improvement by means of a decrease in total number of non-compliances raised.

The SIZA program monitors compliances in the following areas:

- Management systems
- Forced Labour (Employment Freely Chosen)
- Child Labour
- Freedom of Association
- Discrimination, Harassment & Abuse
- Health & Safety
- Wages, Benefits and Terms of Employment
- Working Hours

NC Distribution per Category - Q3 2019/2020

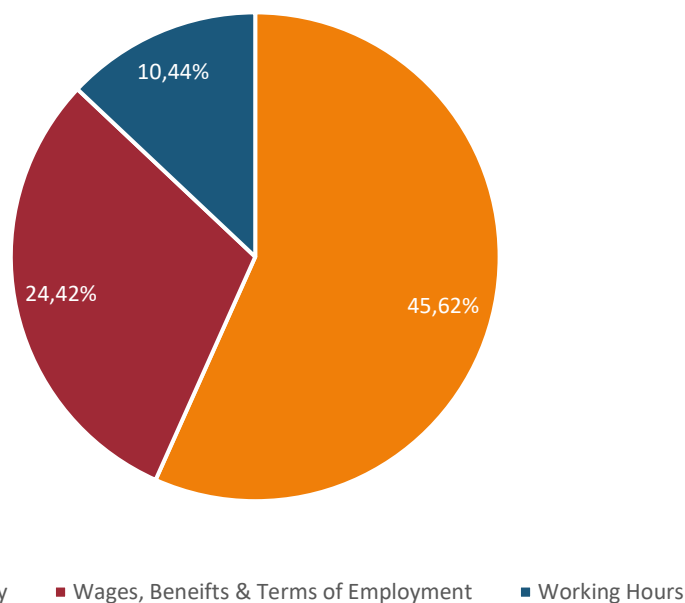


During this period only Critical findings was raised under Code Principle: Discrimination, Harassment & Abuse

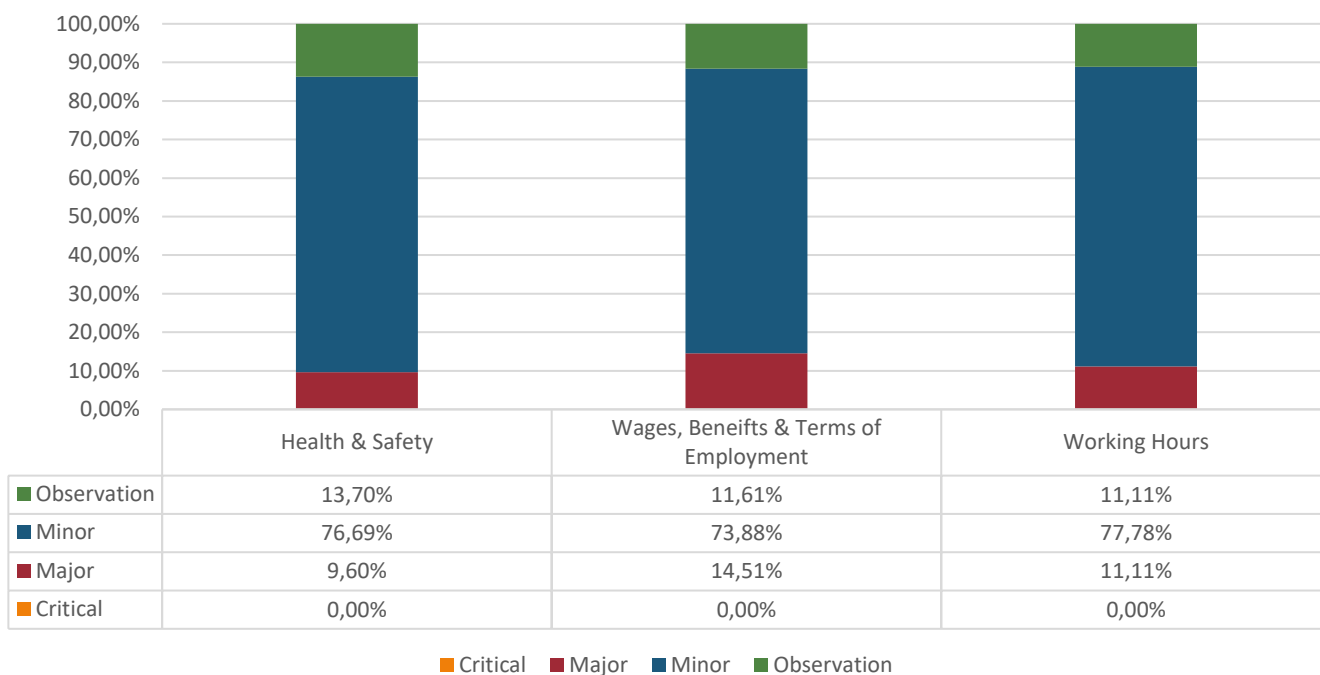
In Q3 – 2019/2020 the 3 main NC contributors have dominated again areas of non-conformance – a total of 80.48% coming from these 3 categories nationally.

- Health & Safety
- Wages, Benefits and Terms of Employment
- Working Hours

Top 3 Categories - Q3 - 2020

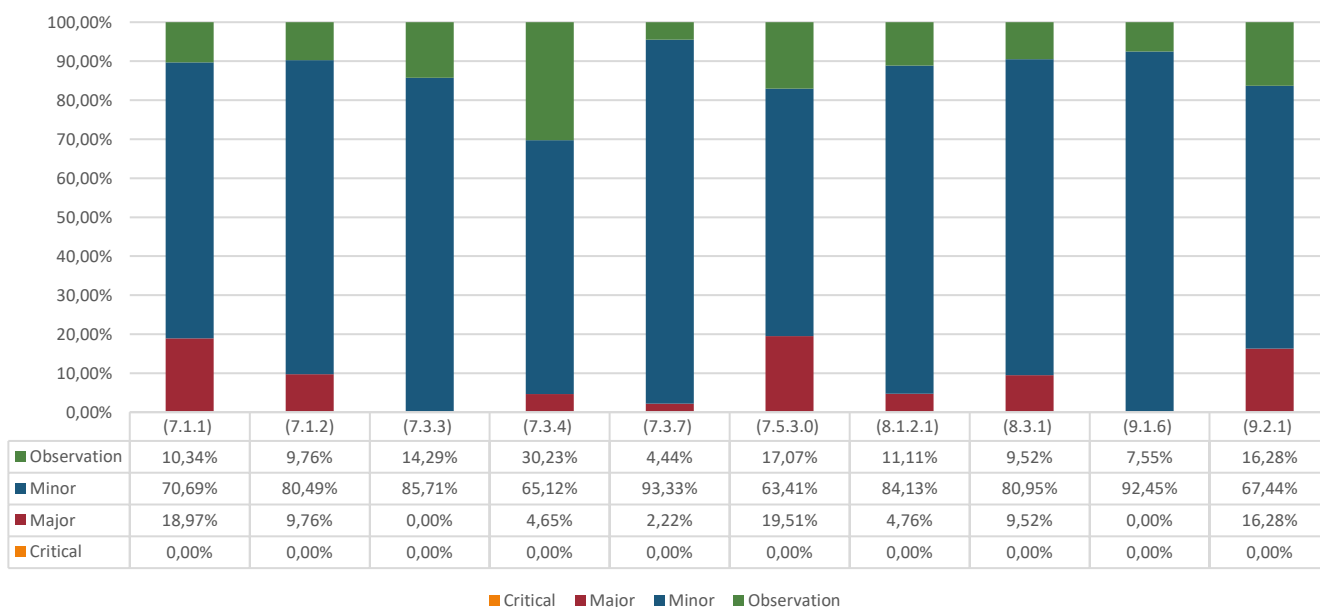


Top 3 Categories - Q3 - 2020



7.1. Top 10 Non-Compliant Areas

Top 10 NC Questions - Q3 - 2020



33.05% of all non-conformances was raised under the 10 questions listed below.

(7.1.1) Are there adequate systems in place to ensure the effective management of health and safety?

(7.1.2) Does the site have a documents health & Safety Risk assessment

(7.3.3) Are there records kept of workplace incidents and accidents?

(7.3.4) Are there records indicating that workers who come into contact with hazardous substances have been through appropriate medical check?

(7.3.7) Are all hazards clearly identified through appropriate signage?

(7.5.3.0) Does worker housing meet basic health, safety and hygiene requirements as set out in this Standard and local law?

(8.1.2.1) Do workers receive payslips with each pay period and do payslips contain all the information required by law?

(8.3.1) Do all workers (including seasonal /temporary workers) have written contracts of employment?

all non-conformances were working hours related.

(9.1.6) Is there a documented policy or a clause in the contract of employment about rain days or other days when work is not performed? Do interviews with workers confirm they understand this policy?

8. Risk distribution

The risk of individual producers is categorized by using a scoring matrix which divides risks into categories of Critical, Major, Minor and Observations. Non-compliances and observations are classified according to:

- ❖ The frequency of the problem and whether the issue is an isolated occurrence.
- ❖ The potential severity of the problem.
- ❖ The probability of recurrence.
- ❖ The management system in place.
- ❖ The response of the management

A minor non-compliance is:

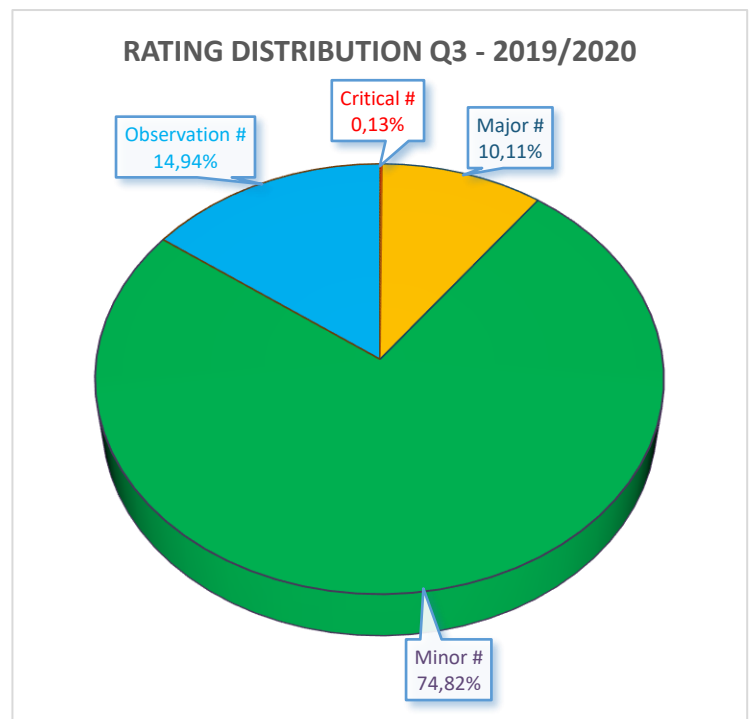
- An occasional or isolated problem.
- An issue which presents a low risk to workers/ those on-site.
- A policy issue or misunderstanding where there is no evidence of a material breach

A major non-compliance is:

- A breach which represents a danger to workers/ those on-site.
- A material breach of a code requirement/ law.
- A systemic violation of a code requirement/law.

A critical non-compliance is:

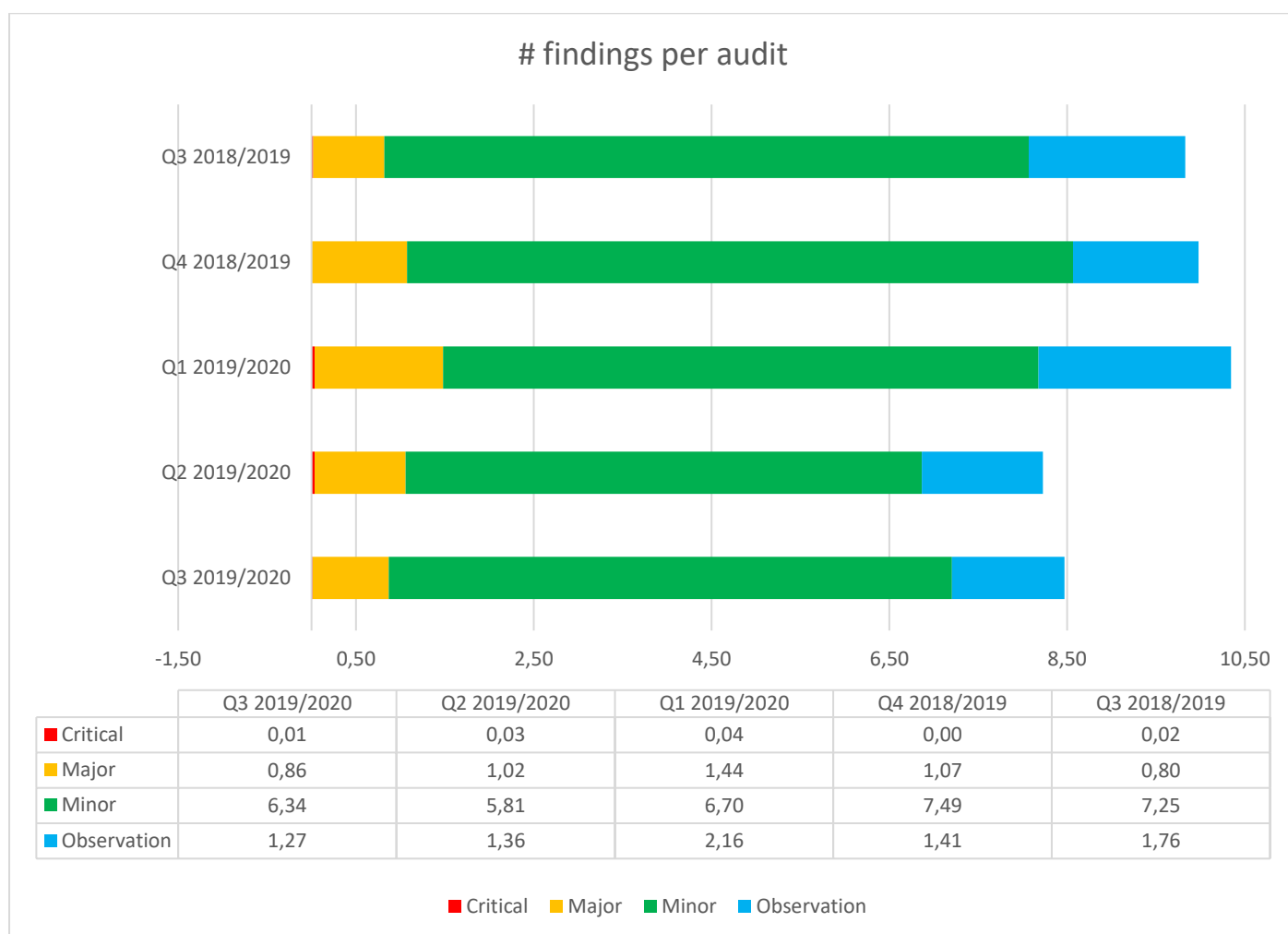
- An issue which presents imminent risk to workers' safety/risk to life and limb or constitutes a significant breach of workers' human rights, and/or;
- A major non-compliance that has not been addressed or for which no significant improvement has been made by the time of a follow up audit, despite supplier commitment to resolve the issue.
- An attempt to pervert the course of the audit through fraud, coercion, deception or interference.



During period 12 months up to the end of Q3 – 2019/2020 74.82% of all findings was minors. 2 critical non-conformances (0.13%) were raised during this period and 10.11% majors

Rating	Q3 2019/2020	Q1 2019/20203	Q1 2019/20202	Q4 2018/20192	Q3 2018/2019
Critical #	2	7	5	0	3
Critical %	0.13%	0.41%	0.35%	0.00%	0.19%
Major #	155	212	202	161	127
Major %	10.11%	12.45%	13.95%	10.75%	8.13%
Minor #	1147	1202	938	1124	1153
Minor %	74.82%	70.58%	64.78%	75.08%	73.77%
Observation #	229	282	303	212	280
Observation %	14.94%	16.56%	20.93%	14.16%	17.91%
	1533	1703	1448	1497	1563

The image below indicates the average number of findings that is raised per audit over time. In this period an average of 10.34 findings per audit was raised compared to the previous period 9.98



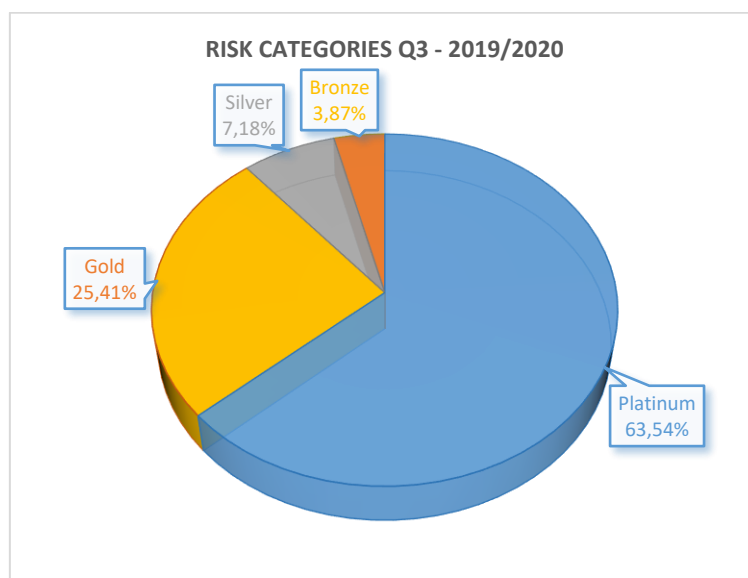
Based on the average above an average SIZA member will be a Gold rating as seen in the risk matrix below

8.1. Member Risk Categories

SIZA uses an Audit frequency matrix based on the number of non-compliances to categorize members into different groups which influences audit frequency.

Risk Category	Critical	Major	Minor	Action Required	Next Full audit
Bronze	1 or more	And/or >5	And/or >30	Submission of corrective actions within timescales agreed during audit; and/or follow up visit during months 0 - 6	Full audit 0 – 12 months from date of original audit. If NC's not complete as per CAP time frames no confirmation letter will be issued.
Silver	0	3 - 5	And/or 21 - 30	Submission of corrective actions within timescales agreed during audit; and / or follow up PARTIAL audit (using desk top evidence submitted or visit to farm to check corrective actions during months 0 – 6)	If Non-compliances complete in giving timeframe – full audit 2 years from date of original audit. If NC's not complete as per CAP time frames – full audit at the start of the next season, but no more than 12 months from date of original audit and no confirmation letter will be issued.
Gold	0	1 - 2	11 - 20	Submission of corrective actions within timescales agreed during audit; and / or follow up PARTIAL audit (using desk top evidence submitted or visit to farm to check corrective actions as per the agreed timeframes during the audit)	If Non-compliances complete in giving timeframe – full audit 2 years from date of original audit. If NC's not completed as per CAP time frames – full audit at start of next season but no more than 12 months from date of original audit no confirmation letter will be issued.
Platinum	0	0	0 - 10	Submission of corrective actions within timescales agreed during audit; and/or follow up PARTIAL audit (using desk top evidence submitted or visit to farm to check corrective actions as per the agreed timeframes during the audit)	If NC's complete – full audit 3 years from date of original audit. If NC's not completed as per CAP time frames – full audit at start of next season but no more than 12 months from date of original audit and no confirmation letter will be issued.

Below is a summary of the distribution of audits that took place in Q2 – 2019/2020 period



During Q2 – 2019/2020 there was 58.45% of the members audited that achieved platinum rating and 29.95% Gold.

Category	Q3 - 2019/2020	Q2 - 2019/2020	Q1 - 2019/2020	Q4 - 2018/2019	Q3 - 2018/2019	Q2 - 2018/2019	Q1 - 2018/2019
Platinum	115	121	73	83	55	39	49
Gold	46	62	40	42	88	59	33
Silver	13	18	12	20	12	3	11
Bronze	7	6	15	5	4	0	4

9. Improvement / Corrective Action

SIZA being a continuous improvement program have the focus to drive improvements on any findings during audits. The below graph can show that majority of findings is closed by primary members that had audit

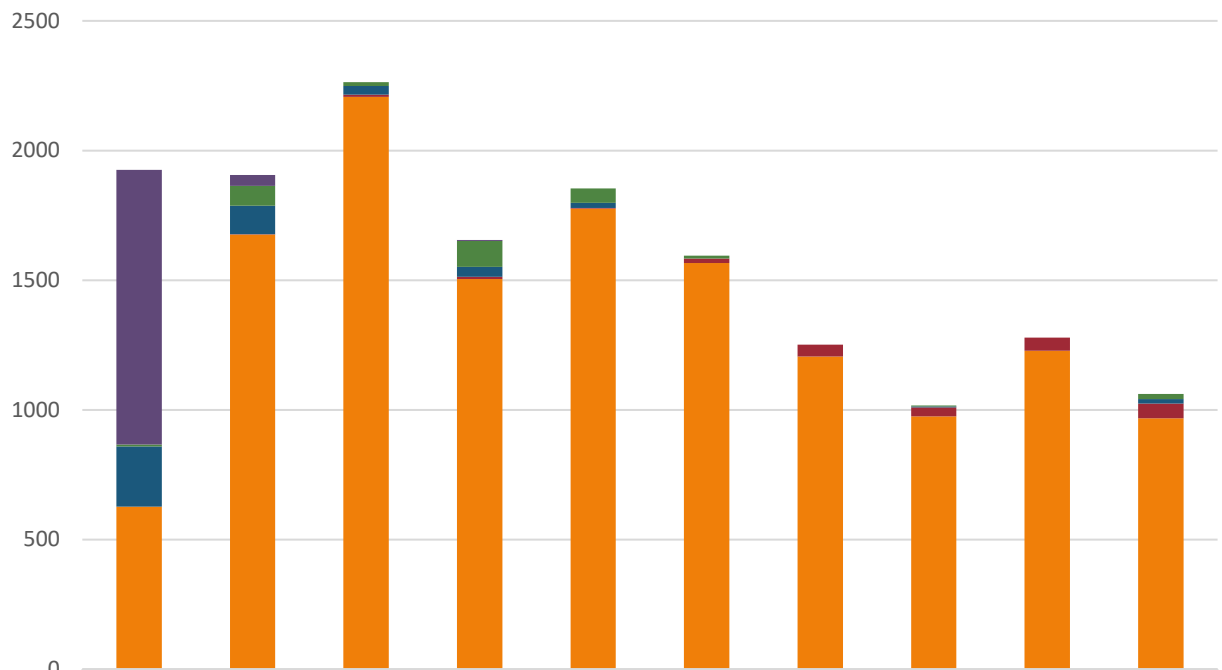
Period	Open NC's	Expired NC's	Document Uploaded	Closed - Late Submission	Closed
Q4 - 2019/2020	54.98%	0.42%	12.05%	0.00%	32.55%
Q3 - 2019/2020	2.20%	4.59%	5.77%	0.05%	87.93%
Q2 - 2019/2020	0.00%	0.66%	1.50%	0.35%	97.48%
Q1 - 2019/2020	0.18%	6.10%	2.30%	0.54%	90.88%
Q4 - 2018/2019	0.00%	3.02%	1.02%	0.16%	95.79%
Q3 - 2018/2019	0.00%	0.69%	0.00%	1.13%	98.18%
Q2 - 2018/2019	0.00%	0.00%	0.00%	3.67%	96.33%
Q1 - 2018/2019	0.00%	0.39%	0.39%	3.34%	95.87%
Q4 - 2017/2018	0.00%	0.00%	0.00%	3.99%	96.01%
Q3 - 2017/2018	0.00%	1.79%	1.60%	5.47%	91.14%

The graph below clearly shows how over time NC's get closed out by the growers.

Expired NC's will result in a follow up audit during 0-12 months from the last audit date.

Open NC's are where there is still corrective action required by the grower to show improvement.

Improvement / Corrective Action



It is an indication that SIZA members and the program drives improvement.

C. SIZA Beyond Audit Program

SIZA announced an exciting new addition to the SIZA programme – BEYOND AUDITS in Q2 – 2018/2019 (16 October 2018).

Auditing has been a catalyst for driving sustainable change in the global supply chain for several years. The number of workplace violations were reduced through a principle of driving continuous improvement. Conducting audits on farms, pack houses, processing facilities and workplaces in general have provided objective measurement, to benchmark progress. Yet auditing is not the only solution. The Beyond Audit online programme will give producers the opportunity to show areas where they feel they have reached more than compliance, create value and sustain practices beyond the audit process.

Samples of best practices include the following: Providing a Provident fund, Health- Clinics/services, Sport facilities, Crèches, Aftercare facilities, Training and Development initiatives, Wellness programmes, etc.

Once the details have been uploaded to the platform, SIZA will review these best practices and if approved, it will reflect as a Beyond Audit program in the producer's member listing on the platform. It will also, together with other data, be visible to linked members (exporters, importers and retailers) of choice. With this initiative we aim to showcase best practices of suppliers and at the same time try to create a balanced view of ethical (social) assurance practices in agriculture.

To date there have been 129 growers that used this service to upload a Beyond Audit listing. In total 441 entries have been approved. Some is awaiting confirmation, and some have been rejected. SIZA Social seems to attract most listings and currently holds 85% of all the listings (376)



Within the SIZA Social Standard the Beyond audit listing has been categorized as follow. The SIZA Code Principle of Wages, Benefits and Terms of Employment attracts most of the listings (41%).

- Data used for Beyond audits was from Q3 – 2020 due to data migration on this not yet being 100% completed

D. SIZA Market Acceptance

SIZA has always positioned itself to be the preferred Social and Environmental standard for suppliers from South Africa. It is in line with SIZA vision to avoid audit duplication where possible and to save time and cost, whilst still being able to identify areas of risk in the industry and work towards the goal of continuous improvement.

Market acceptance is therefore one of the key measurable objectives to monitor growth but also to maintain the current acceptance throughout the world.

Currently SIZA provide supplier information when suppliers give SIZA permission to do so. Visibility is provided via 4 platforms at this stage

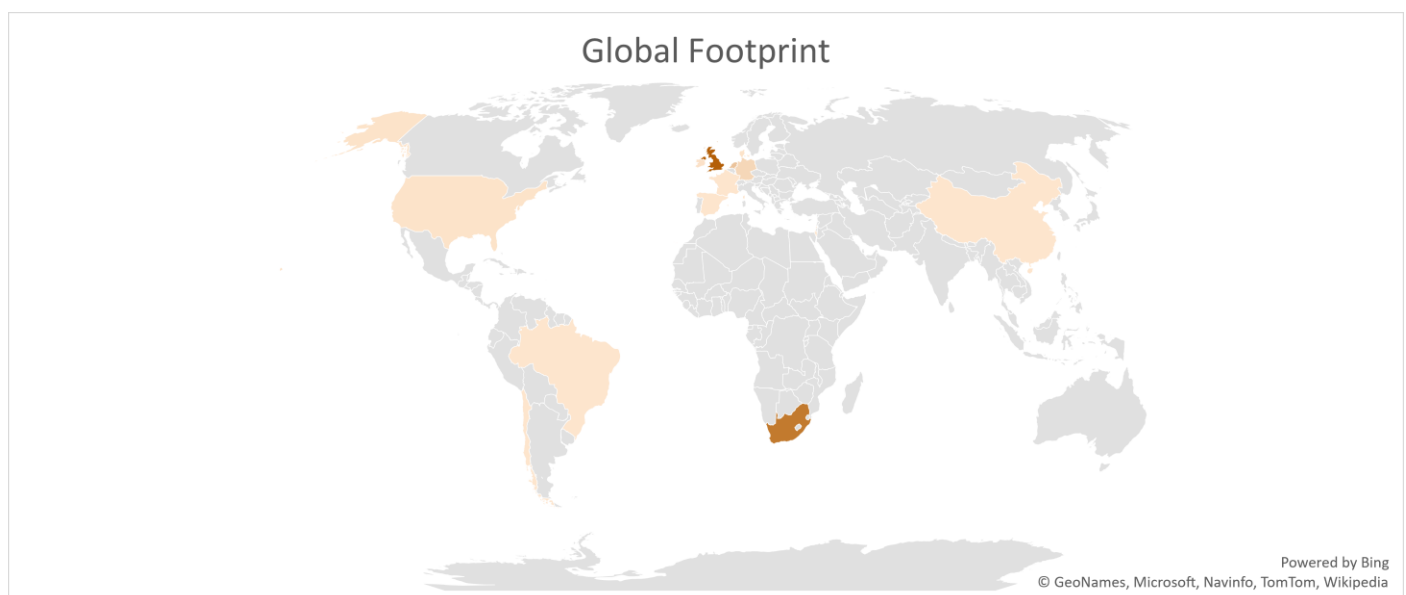
- via the SIZA Data platform
- via the SEDEX Data Platform
- via a link on the GlobalG.A.P database
- via ITC Map

SIZA acceptance have also grown in terms of businesses and industries that is accepting SIZA audits and recognizing primary members ethical trade performance against the SIZA standard.

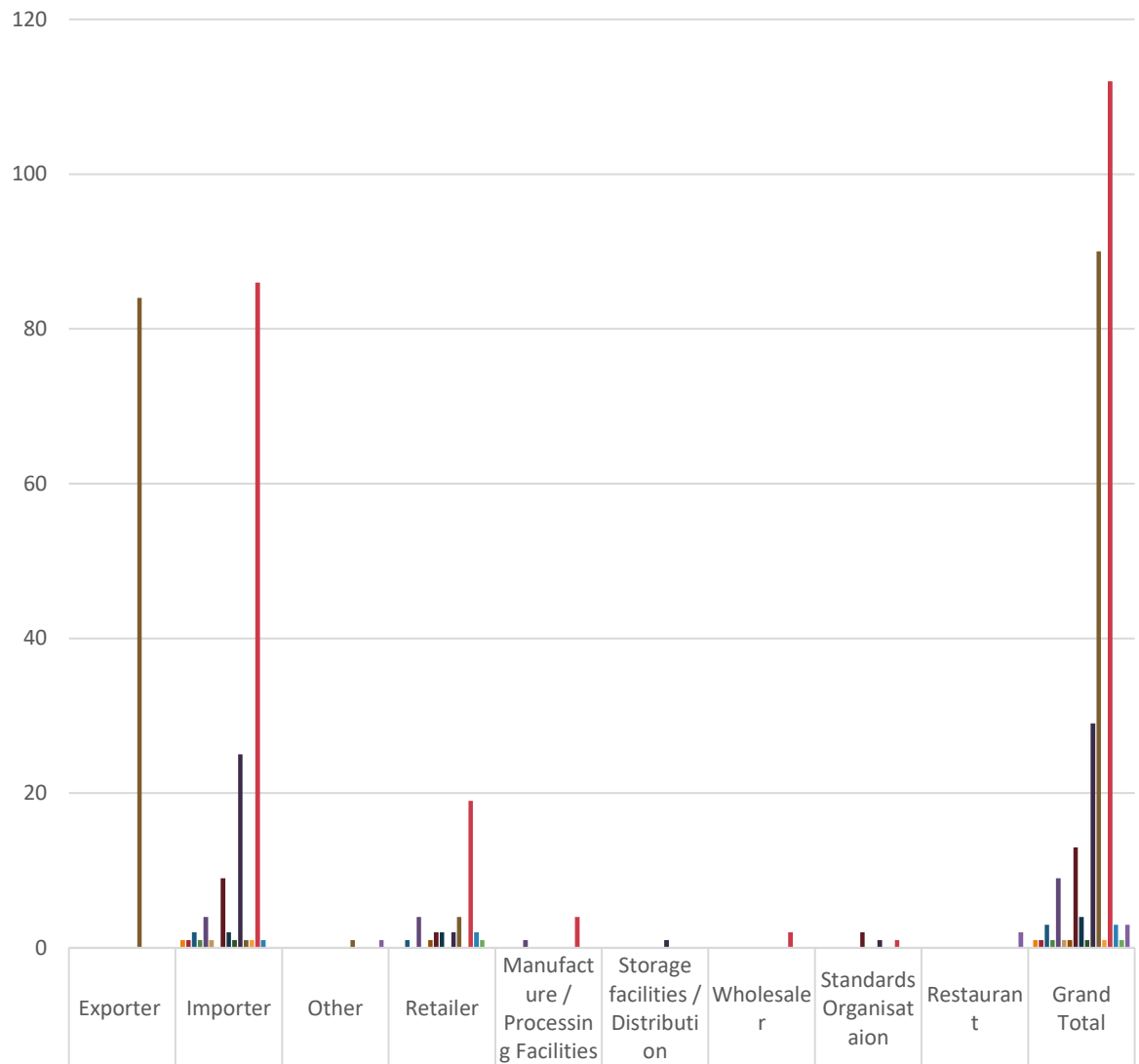
Current acceptance is through

- Exporters
- Importers
- Retailers
- Manufacturing / Processing Facilities
- Storage / Distribution Facilities
- Wholesalers
- Restaurants

SIZA will continue to monitor the market growth and continuously engage with new markets for further acceptance. Across the 4 different platforms SIZA is accepted by 274 businesses that operates in 15 different markets.



Market Acceptance



	Exporter	Importer	Other	Retailer	Manufacture / Processing Facilities	Storage facilities / Distribution	Wholesaler	Standards Organisation	Restaurant	Grand Total
Brazil		1								1
Chile		1								1
Denmark		2		1						3
Dominican Republic		1								1
Europe		4		4	1					9
Europe		1								1
France				1						1
Germany		9		2				2		13
Ireland		2		2						4
Israel		1								1
Netherlands		25		2		1		1		29
South Africa	84	1	1	4						90
Spain		1								1
United Kingdom		86		19	4		2	1		112
United States		1		2						3
China				1						1
Other			1						2	3