



Western Cape
Government

Agriculture

BETTER TOGETHER.

2020

SIZA Monitoring & Evaluation Report

Quarterly Update Report – Q3 2019/2020



SIZA

SUSTAINABLE AGRICULTURE IN SOUTH AFRICA

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SIZA Data Platform update

In 2019 the SIZA Board took a decision to make use of the latest trends and technology and will be introducing the *MySIZA* to the global market in April 2020.

Under the guidance of SIZA CEO Retha Louw, technical expert Francois Brink and a newly formed partnership with Cloudsmiths, (a Cape Town based local development house and Platinum Salesforce Partner) the *MySIZA* platform was engineered and developed.

Cloudsmiths uses Salesforce.org as the tool to shape and mould our new *MySIZA* platform – which means that we were able to use the worlds best technology in designing, remodelling and upgrading the SIZA platform.

MySIZA will make our data platform one of the most technically advanced and integrated services currently available yet keeping it simple and user friendly. The vision is that *MySIZA* is an enabler for businesses around the world who's aim is to manage risk and do business in a sustainable way.

What does this mean for you and your business?

- *Improved and better* user experience
- *Faster and more integrated* access to linked members data and the statuses
- Simpler and more *integration* possibilities with other global platforms.
- Faster *access to support* from the SIZA office and service providers such as auditor companies through the 'Chatter' function
- Secure and *technically advanced* host of technology and data

SIZA will communicate the change management process but be on the lookout for communication around the activation and setup of your business on *MySIZA*. *My SIZA will be going live in April 2020*

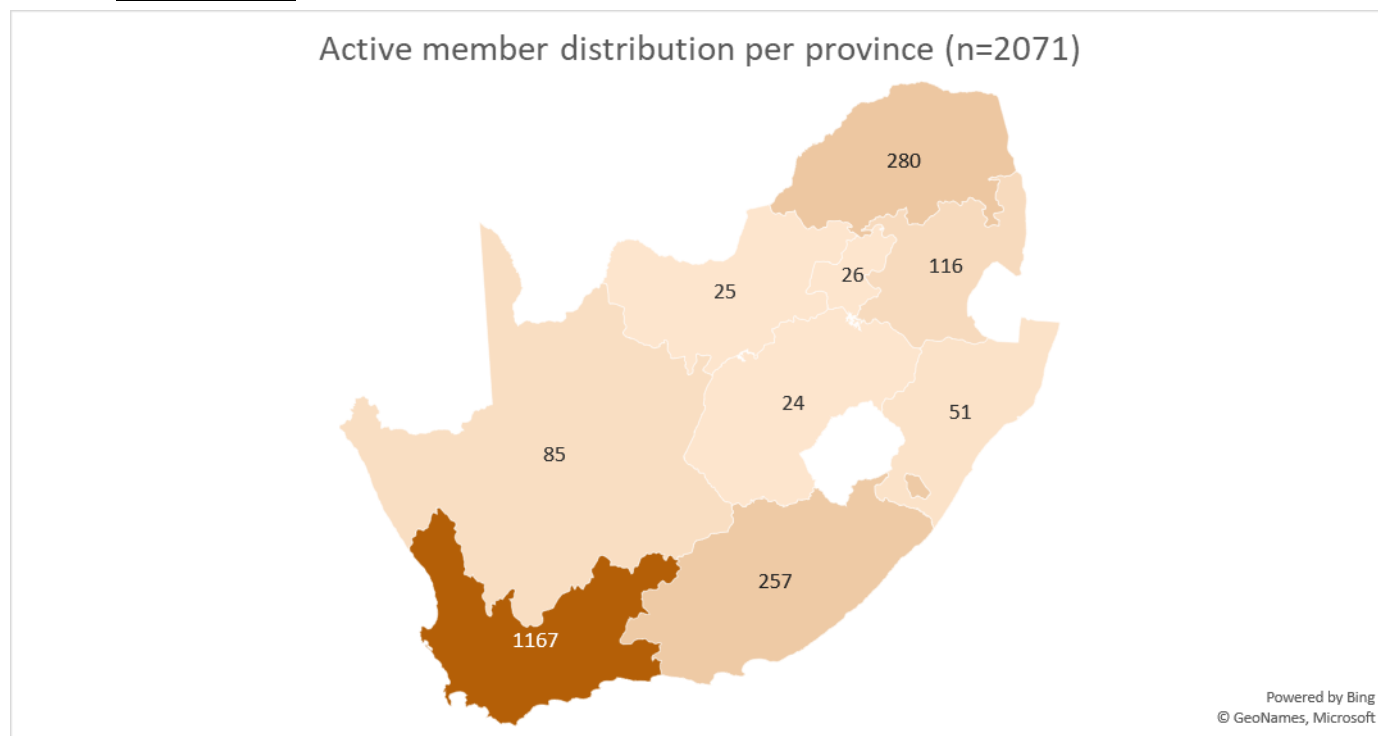
Scope of the report

Quarterly Report: 1 January 2020 – 31 March 2020

A. Quarterly Report – Q3 2019/2020

1. SIZA Membership breakdown

1.1. Active members

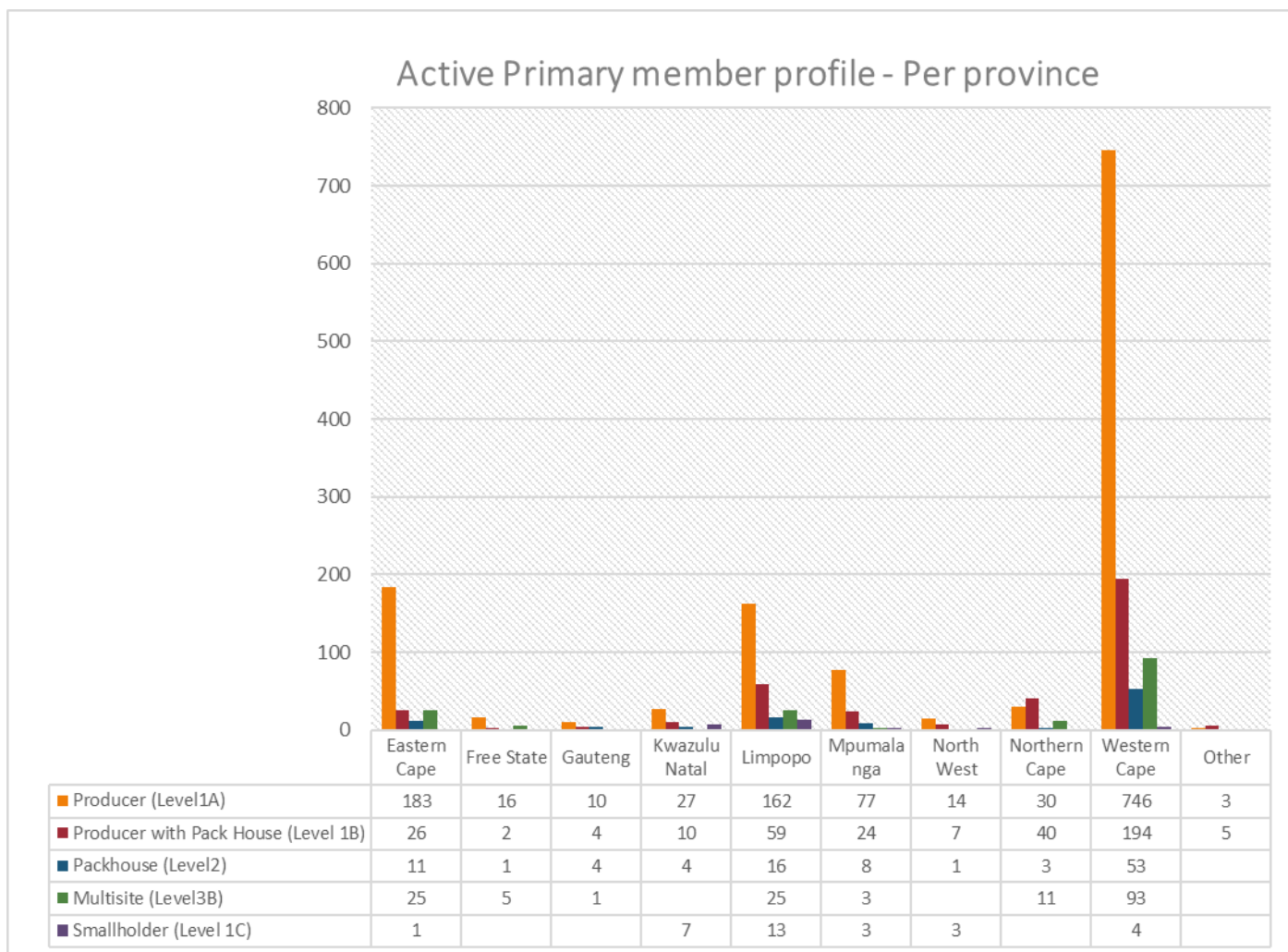


On 03 April 2020, there was 2071 active members on the platform. SIZA is continuously working to ensure that all members listed on the platform is active.

During Q3 of 2019/2020 we saw an increase of membership of 0.88% from the previous reported period. This is a total of 18 new active members since the previous reported period. In Q3 of 2018/2019 there was 1938 active SIZA members – which indicates a growth of 6.86% in the last 12 months

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

1.2. Primary members



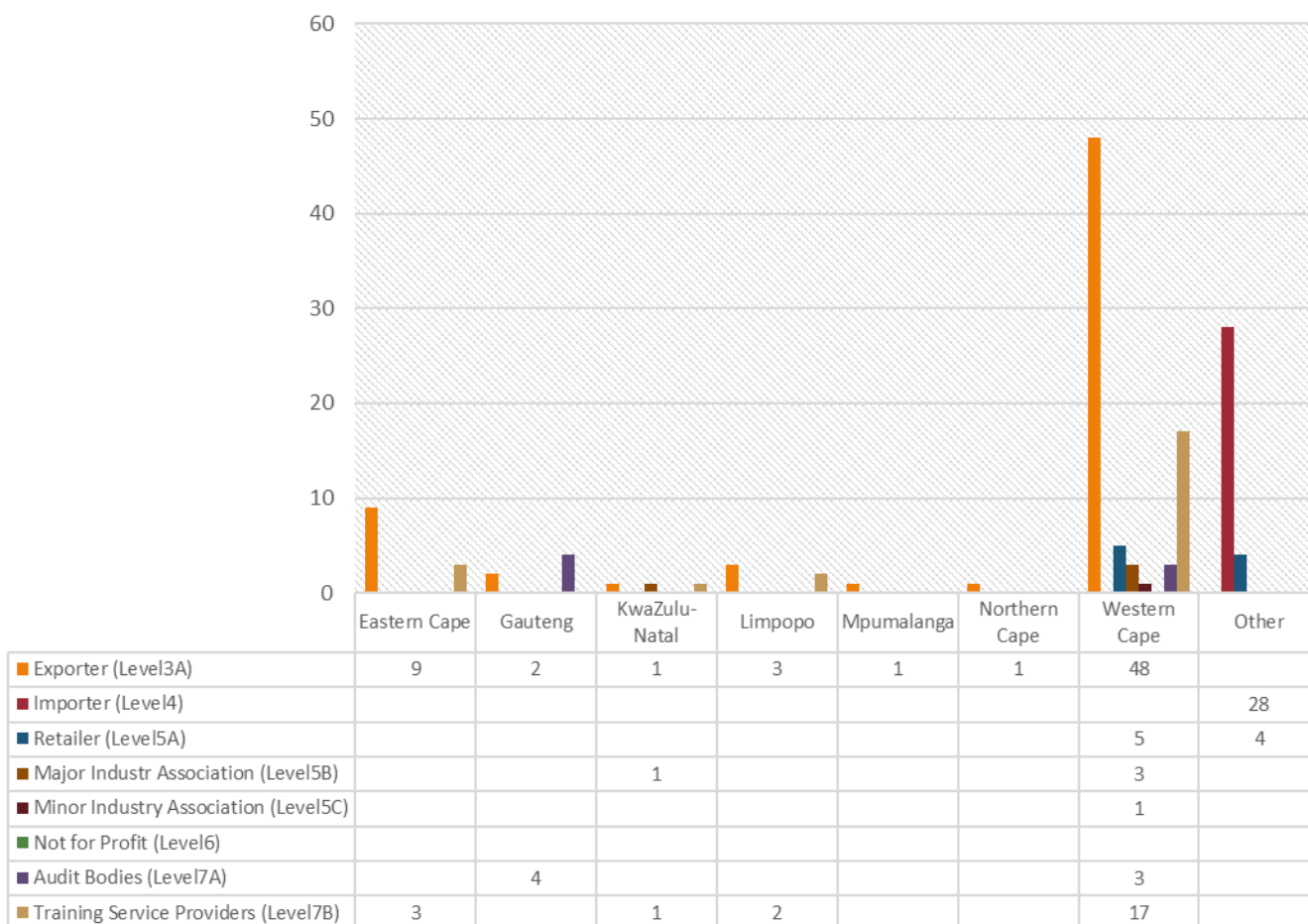
Primary member (those that qualify or would be required to undertake 3rd party audits) have increased by 1.04% during Q3 of 2019/2020. This is an increase of 20 members since December 2019.

The highest percentage of members remains to be Level 1A – a grower with one farm and no packhouse. Level 1A currently represents 65.56% of all primary members and 746 (58.83%) of all Level 1A 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

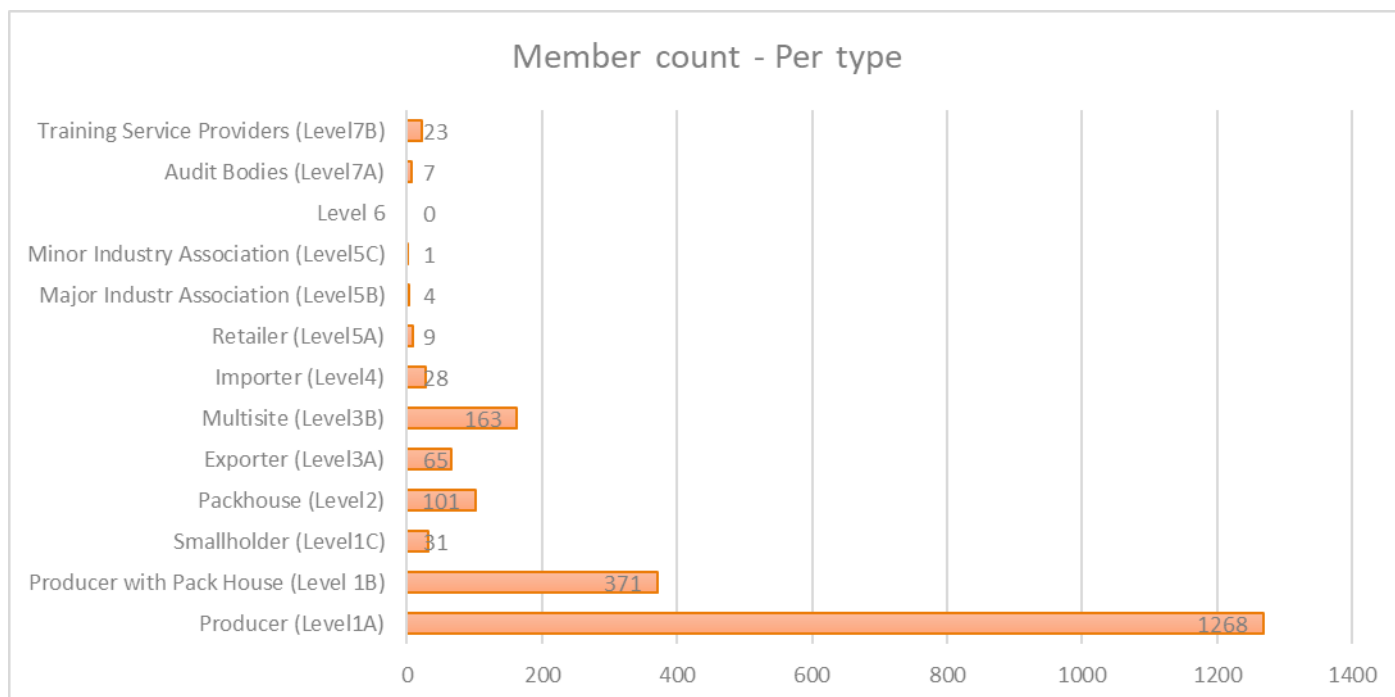
1.3. Secondary / Tertiary members

Active Secondary / Tertiary member profile - Per province



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 137 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

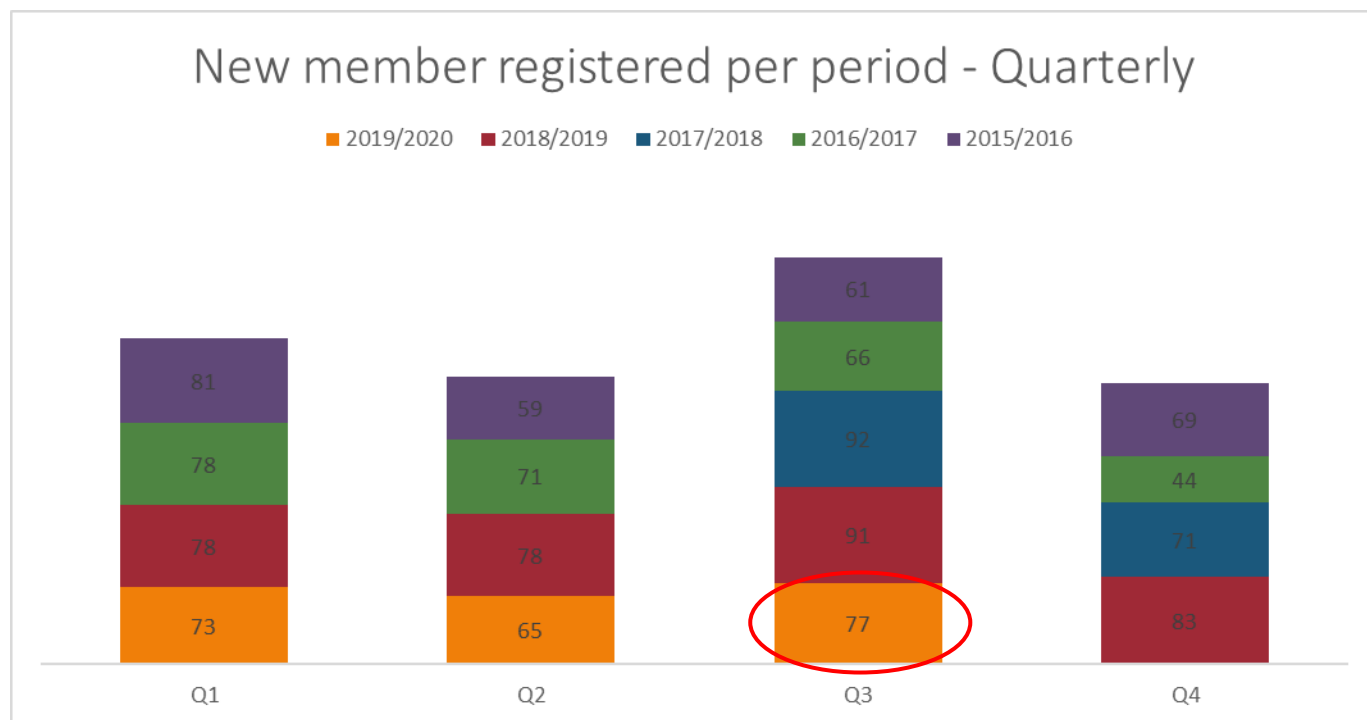


The 1268 Producers (Level 1A) represents 61.23% of the total membership base.

2. New members / Renewals

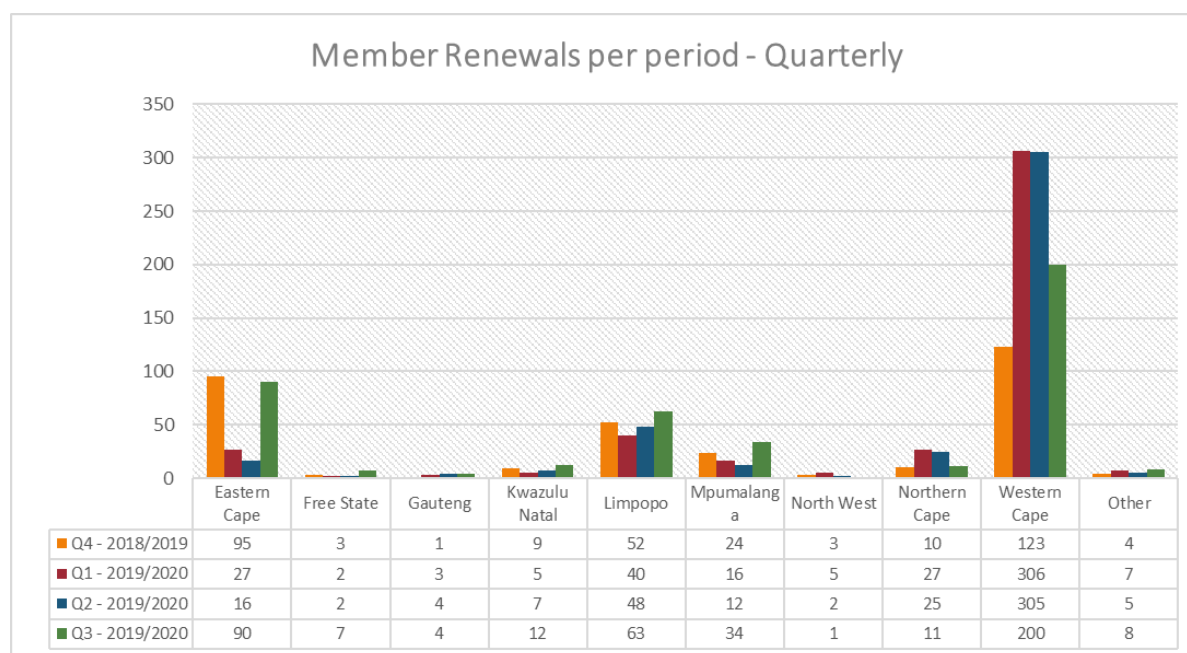
This section indicates the growth of the SIZA membership base. The Data Platform has helped SIZA in managing the new registrations as well as providing easy access to information on renewal of memberships that needs to take place.

2.1. New member registration



77 new members was registered in the period.

2.2. Member Renewals – Quarterly report



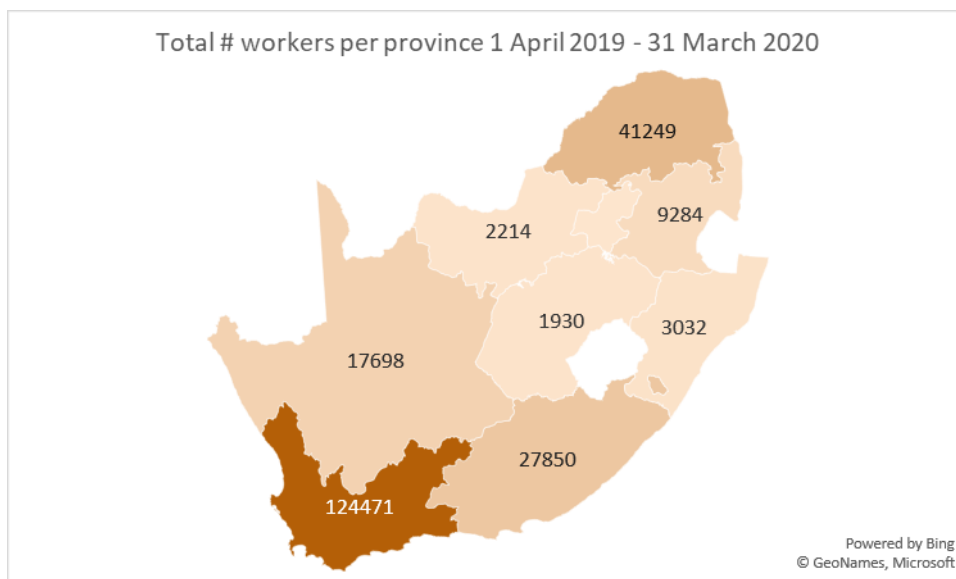
In Q3 of 2019/2020 a total of 430 members renewed the SIZA subscriptions. There was 200 in the Western Cape which accounted for only 47% of renewals.

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%	↑

Citrus, Pomefruit, Stonefruit and Table grapes are still the biggest contributors representing 65.60% of all fruit categories. This has since the start of M&E reporting in 2015 come down from almost 78%. It shows the growth of SIZA in new industries and minor industries. Citrus is the single biggest industry represented with currently 780 members reporting that they grow citrus with Pomefruit next in line with 498. to have reported growing Pomefruit. In this vegetables had the biggest growth in percentage terms – with a 0.15% increase (8 new members).

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 April 2019 – 31 March 2019

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.

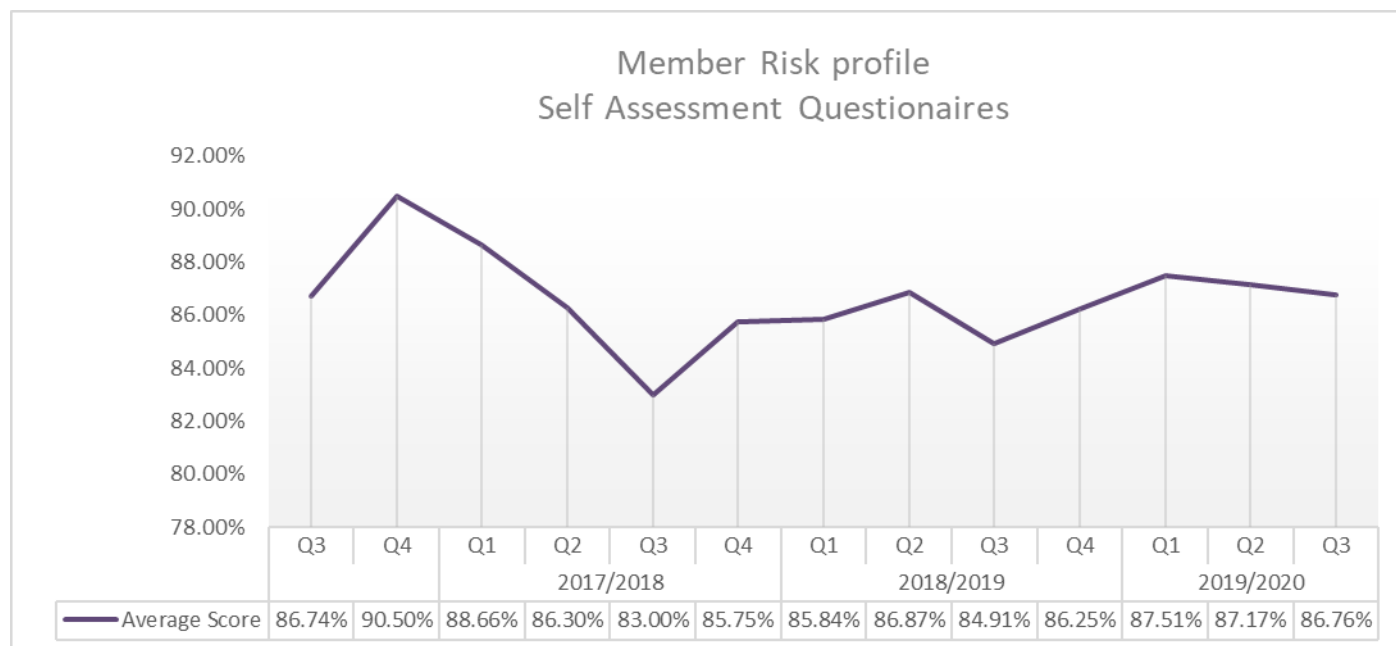
<i>Province</i>	<i>Permanent</i>	<i>Temporary</i>	<i>Migrant</i>	<i>Agency</i>	<i>Total</i>
<i>Eastern Cape</i>	6328	18722	1964	836	27850
<i>Free State</i>	839	1025	66	0	1930
<i>Gauteng</i>	87	85	8	0	180
<i>Kwazulu Natal</i>	1138	1882	12	0	3032
<i>Limpopo</i>	15222	19706	4517	1804	41249
<i>Mpumalanga</i>	3951	4121	354	858	9284
<i>North West</i>	930	723	477	84	2214
<i>Northern Cape</i>	2404	14042	1176	76	17698
<i>Western Cape</i>	35504	73801	10280	4886	124471
Total	66403	134107	18854	8544	227908

Western Cape accounts for the highest number of employee's due to the large number of memberships that is based in the Western Cape. 55% of all farm workers is Western Cape based

5. Self-Assessment Questionnaire

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.

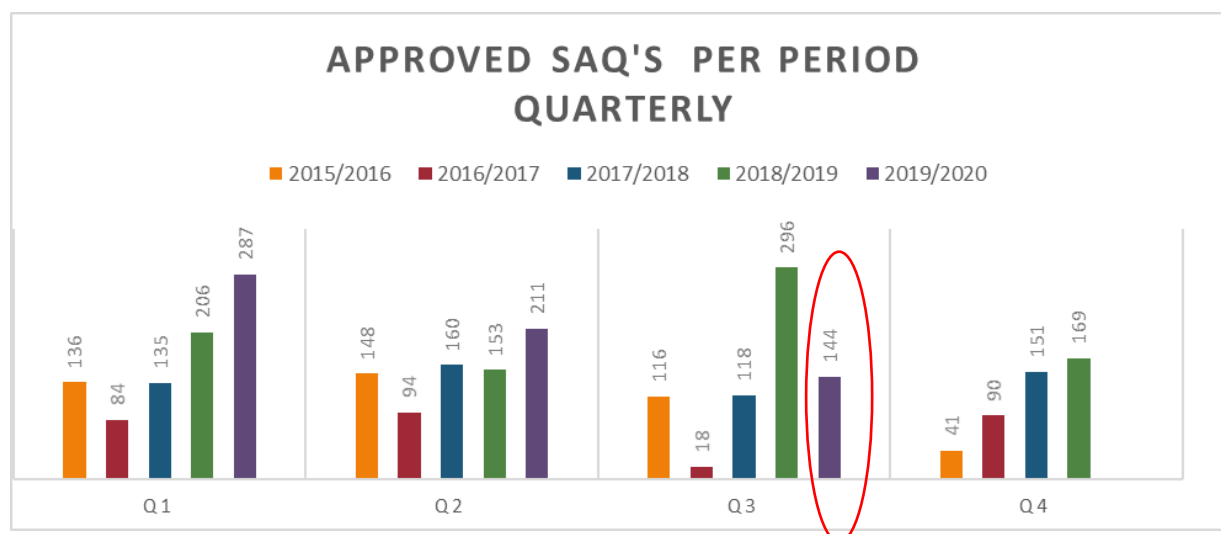
The SAQ will also indicate growth from year to year as the primary members are required to complete a SAQ on an annual basis. The SIZA platform allows feedback to the member by means of a risk indicator.



The average score obtained for all approved SAQ's in Q2 of 2019/2020 is standing on 87.17%.

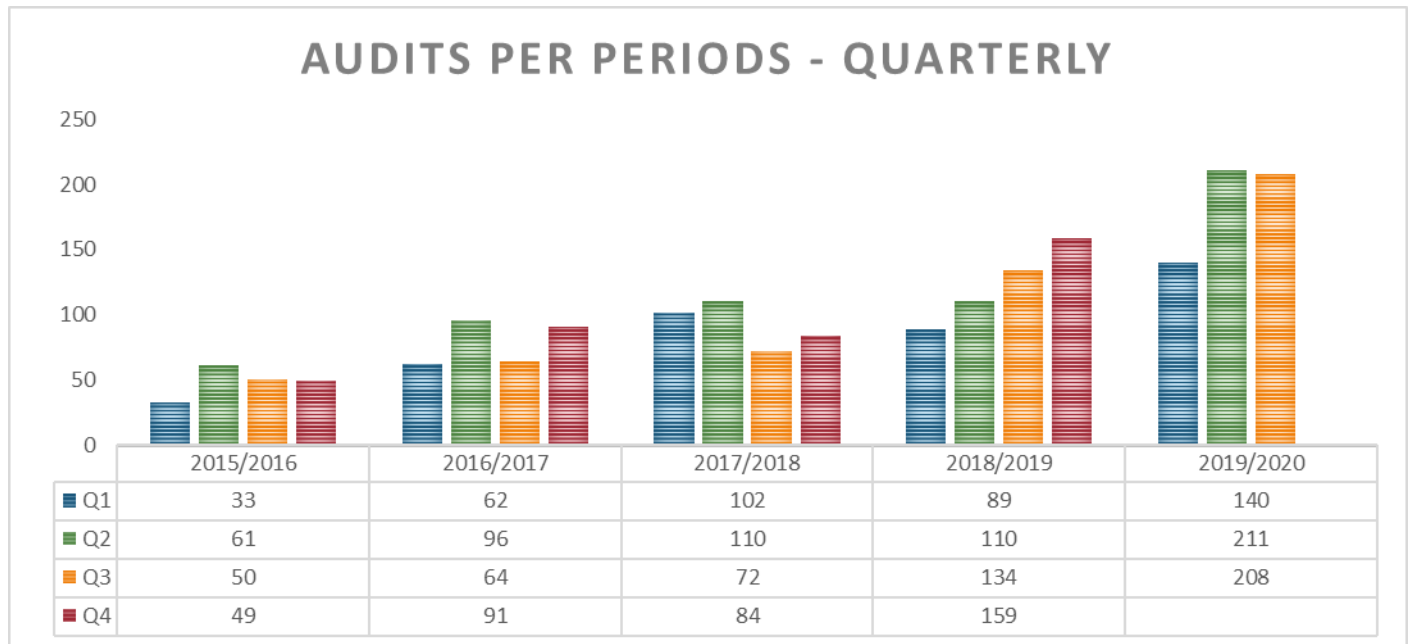
5.1. SAQ's per period

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 Q3 of 2019/2020 144 SAQ's was approved.

6. Audit Information



- In Q3 of 2019/2020 - 208 audits were done.

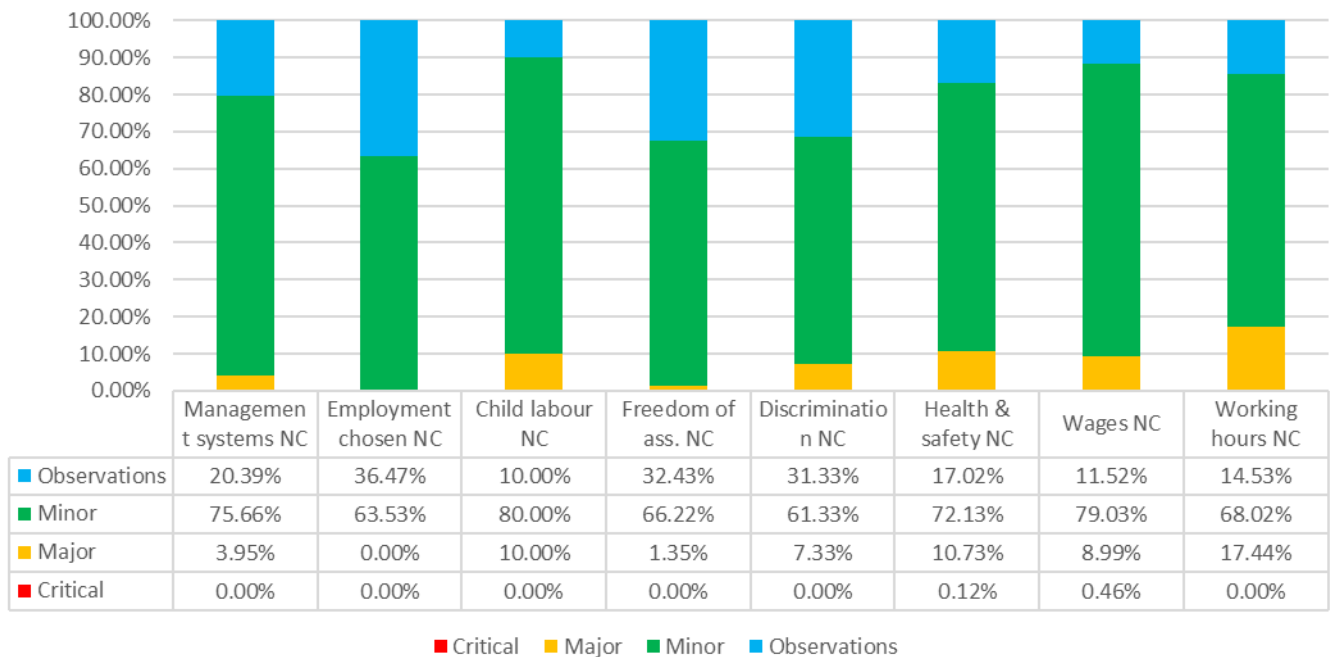
7. Non-Conformances

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 - Q2 2019/2020



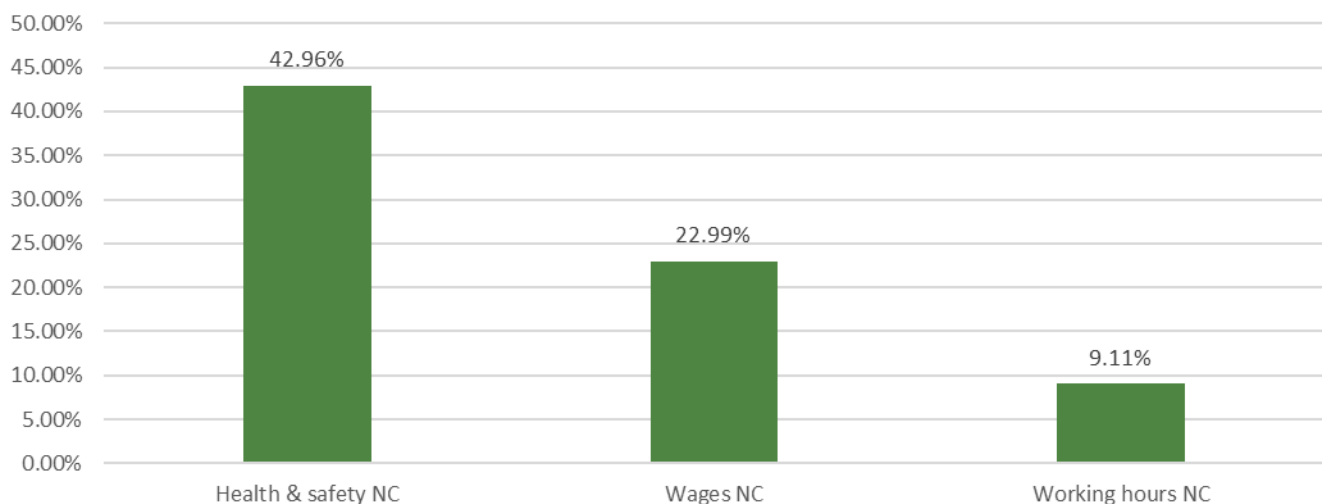
Critical findings was raised under Health & Safety (1) and Wages(2). In total 3 Major findings were raised during this period.

In Q2 – 2019/2020 the 3 main NC contributors have dominated again areas of non-conformance – a total of 75.05% coming from these 3 categories nationally.

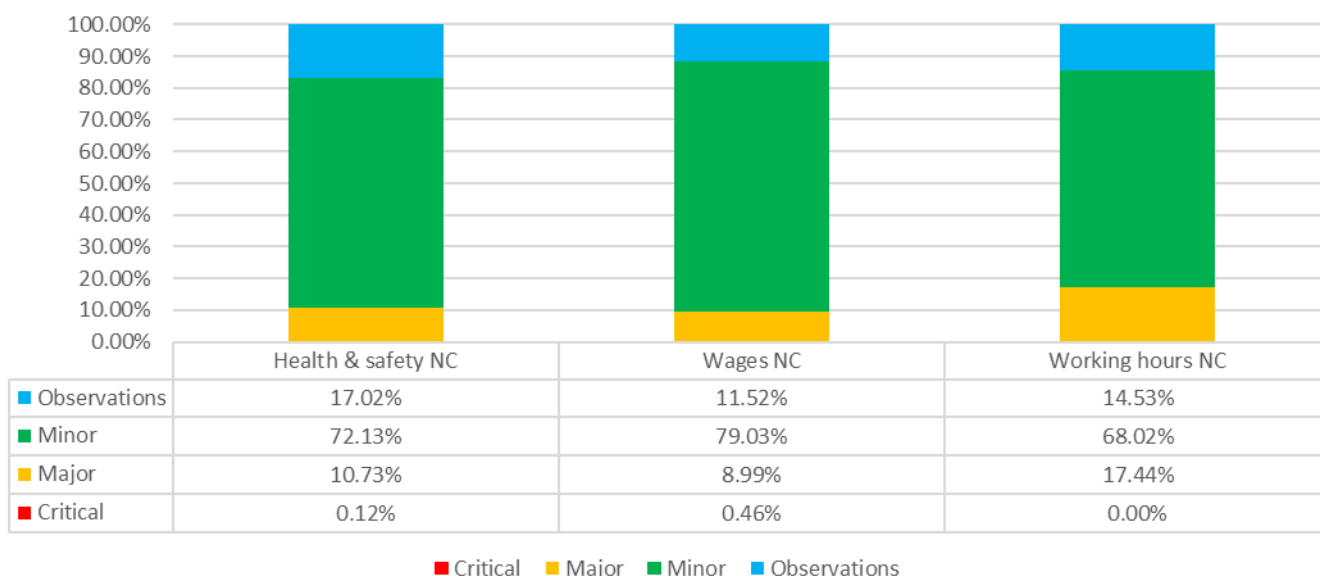
- Health & Safety
- Wages, Benefits and Terms of Employment
- Working Hours

A breakdown of the 3 areas concerned and the main contributors of NC's in these areas are listed below. A data breakdown was done for Q1 – 2019/2020.

Non-Compliance Distribution per Category Q2 - 2019/2020

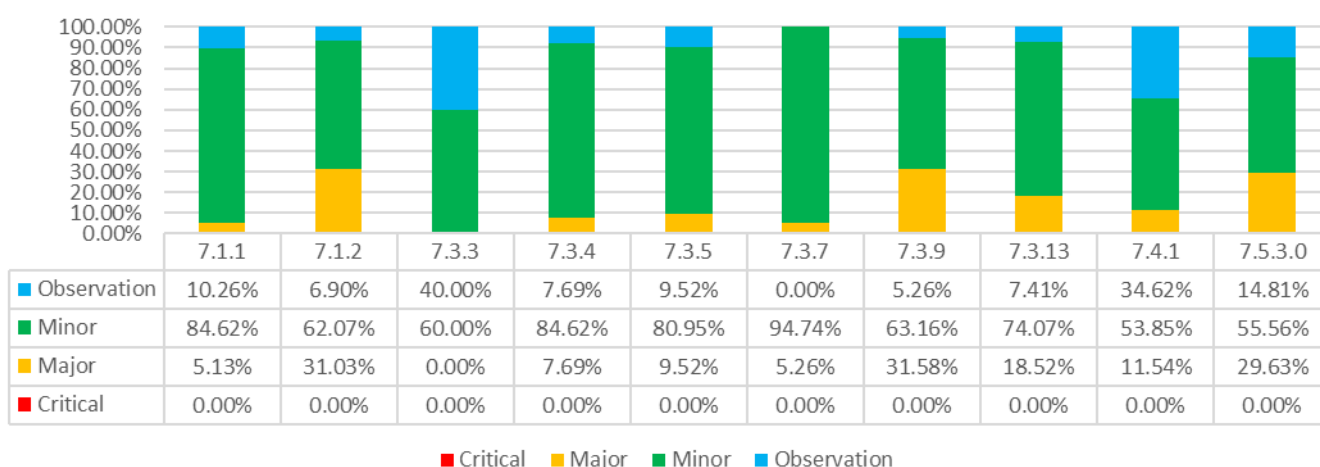


NC Distribution per Category - Q2 2019/2020



7.1. Health & Safety – NC analysis

Health & Safety Q2-2019/2020 (Top 10)



42.96% of all non-conformances was H&S related. During this period 1 critical was raised and 10.73% was major findings. This is a improvement from the Q1 data. The new SIZA checklist included a greater number of questions and for H&S only the top 10 control questions are included in the report. The issues raised was captured under the following questions in the SIZA Audit Checklist

(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?

(7.3.5) Is appropriate PPE provided?

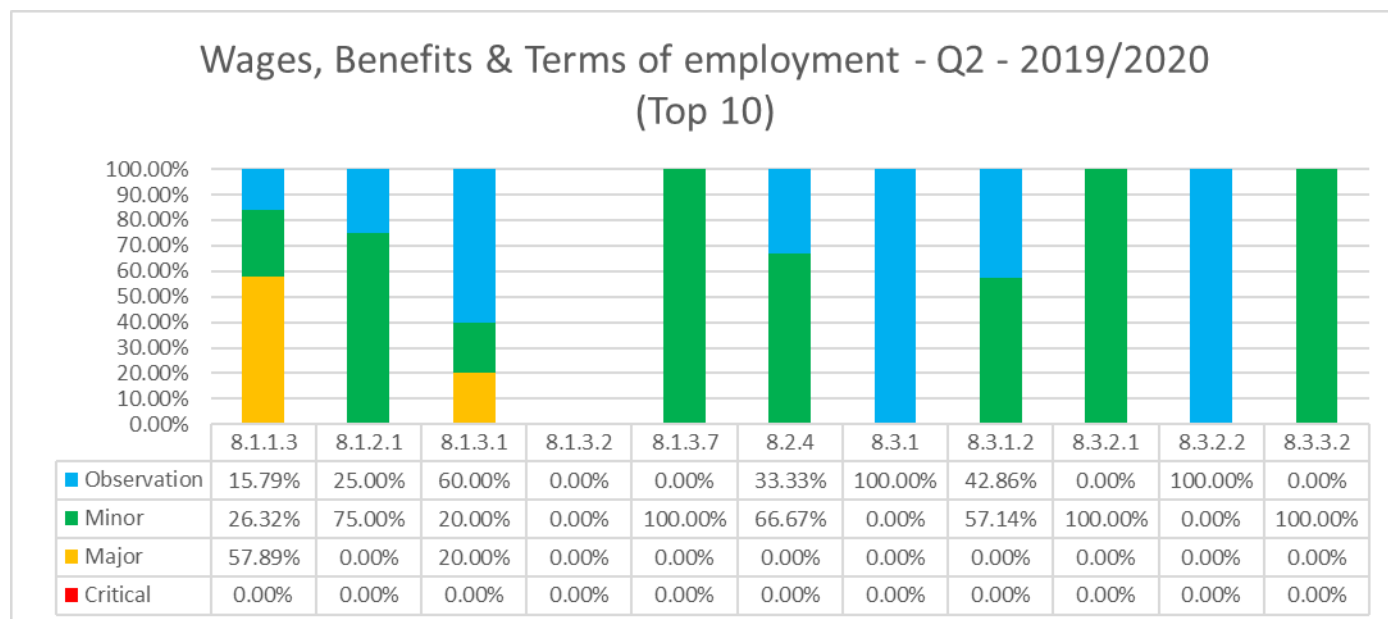
(7.3.7) Are all hazards clearly identified through appropriate signage

(7.3.9) Are registered chemicals and other hazardous substances stored securely?

(7.3.13) Are appropriate measures taken to control the risk posed by latent infrastructural risks such as dams, CA stores, etc?

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

7.2. Wages, Benefits & Terms of Employment – NC analysis



22.99 % of all non-conformances was related to wages, benefits & terms of employment related. The new checklist increased the number of control points and only the top 10 performers was included. The issues raised was captured under the following questions in the SIZA Audit Checklist

(8.1.1.3) Is overtime paid in accordance with legislation?

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

(8.1.3.1) Are deductions for UIF made?

(8.1.3.2) Are deductions for payments to third parties only made upon receipt of written permission from the worker concerned?

(8.1.3.7) In cases where deductions are made for communal accommodation do they meet requirements

(8.2.4) Do workers qualify for Sick leave?

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

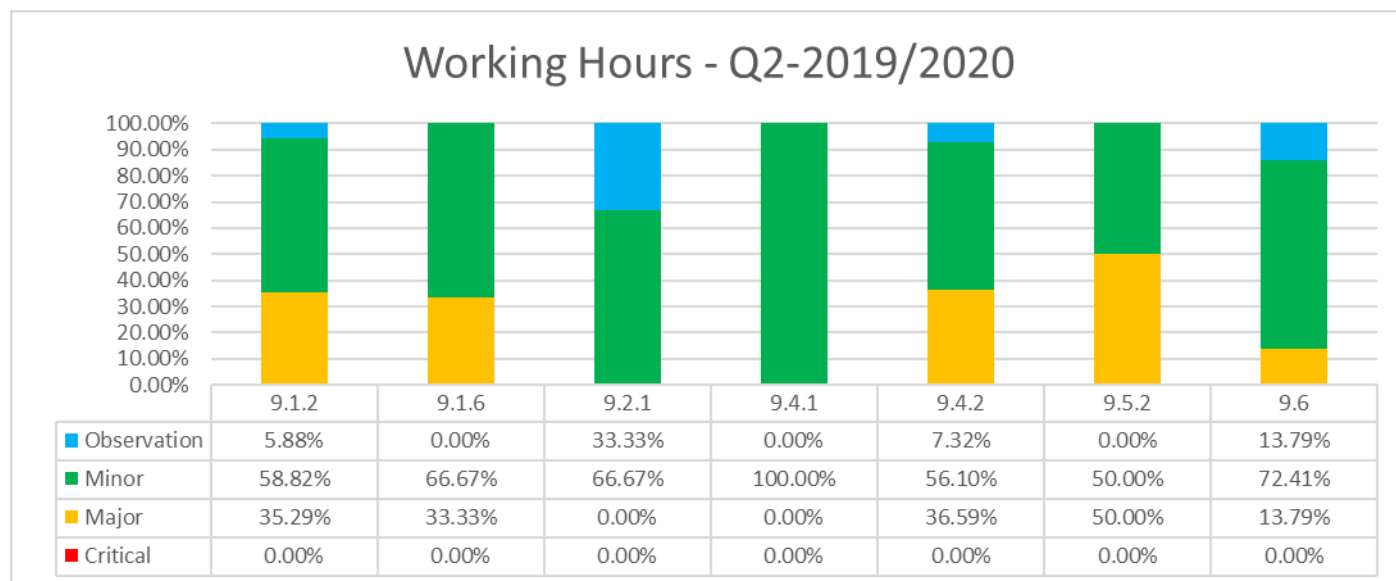
(8.3.1.2) Are contracts updated to reflect any material change to the terms and conditions of employment?

(8.3.2.1) Do all seasonal / temporary workers have valid contracts of employment?

(8.3.2.2) Do seasonal workers who leave and return to the same place of work accrue all leave and other benefits due to them?

(8.3.3.2) Does the labour broker adhere to applicable legislation in terms of the workers supplied by him/her and is there documented proof that the company acts on any instances where non-compliances are detected?

7.3. Working Hours – NC analysis



9.11 % of all non-conformances was working hours related.

(9.1.0) Does the business have effective systems in place to accurately monitor and record hours of work?

(9.1.1) Do documents and worker interviews confirm that working hours are recorded and that ordinary working hours do not exceed 45 hours per week?

(9.1.2) Where applicable, is averaging of working hours applied in accordance with legal requirements?

(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?

(9.2.1) Where overtime is worked does it conform to all legal requirements?

(9.4.1) Is there a documented agreement signed by workers regarding work on public holidays?

(9.4.2) Is work undertaken on a public holiday compensated according to legal requirements?

(9.5.1) Is there evidence that the night work allowance is paid to workers performing work related duties at night ?

(9.5.2) Does the employer comply with legal provisions where night work is undertaken on a regular basis?

(9.6) Are rest periods and meal intervals managed effectively and granted to workers in accordance with legislation?

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:

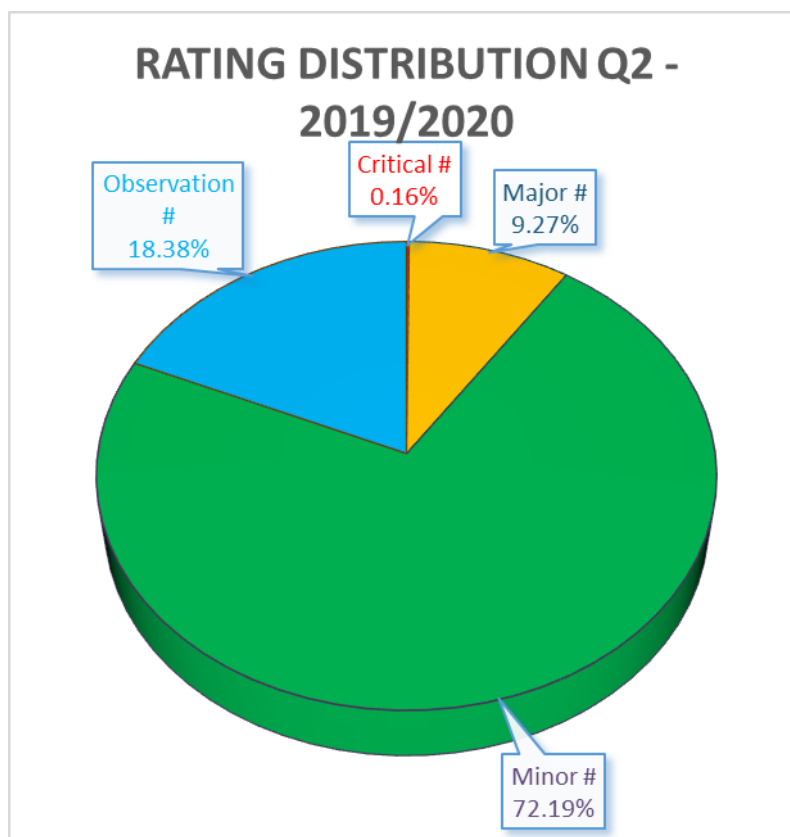
- An occasional or isolated problem.
- An issue which presents a low risk to workers/ those on-site.
- A policy issue or misunderstanding where there is no evidence of a material breach

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:

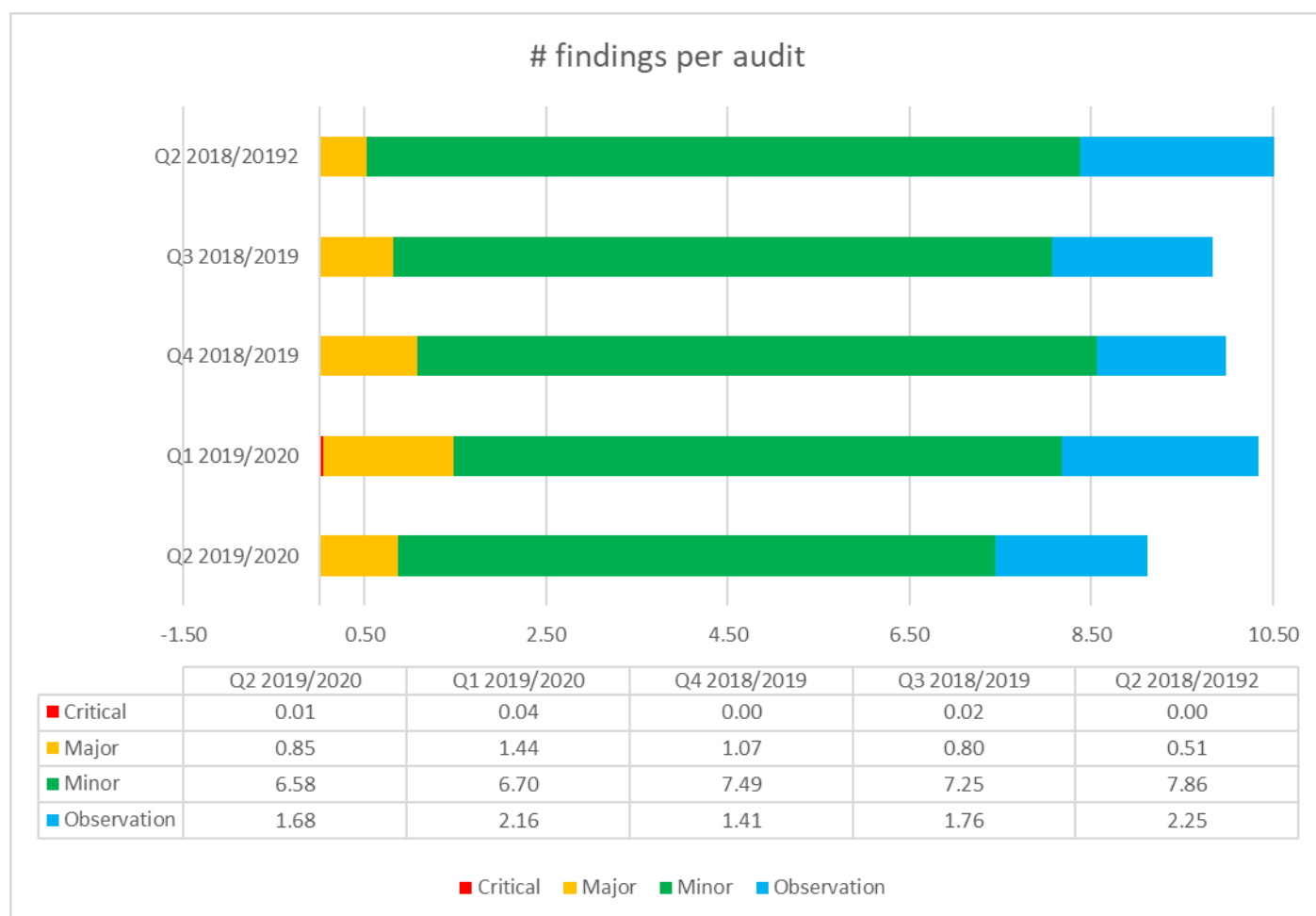
- An issue which presents imminent risk to workers' safety/risk to life and limb or constitutes a significant breach of workers' human rights, and/or;
- A major non-compliance that has not been addressed or for which no significant improvement has been made by the time of a follow up audit, despite supplier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



During period Q1 – 2019/2020 72.19% of all findings was minors. 3 critical non-conformances (0.16%) were raised during this period and 9.27% majors

Rating	Q1 2019/2020	Q1 2019/2020	Q4 2018/2019	Q3 2018/2019	Q2 2018/2019	Q1 2018/2019	Q4 2017/2018
Critical #	3	5	0	3	0	4	0
Critical %	0.16%	0.35%	0.00%	0.19%	0.00%	0.50%	0.00%
Major #	175	202	161	127	52	88	154
Major %	9.27%	13.95%	10.75%	8.13%	4.85%	11.04%	15.60%
Minor #	1363	938	1124	1153	794	573	678
Minor %	72.19%	64.78%	75.08%	73.77%	74.00%	71.89%	68.69%
Observation #	347	303	212	280	227	132	155
Observation %	18.38%	20.93%	14.16%	17.91%	21.16%	16.56%	15.70%
	1888	1448	1497	1563	1073	797	987
# audit per period	207	140	150	159	101	86	108

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



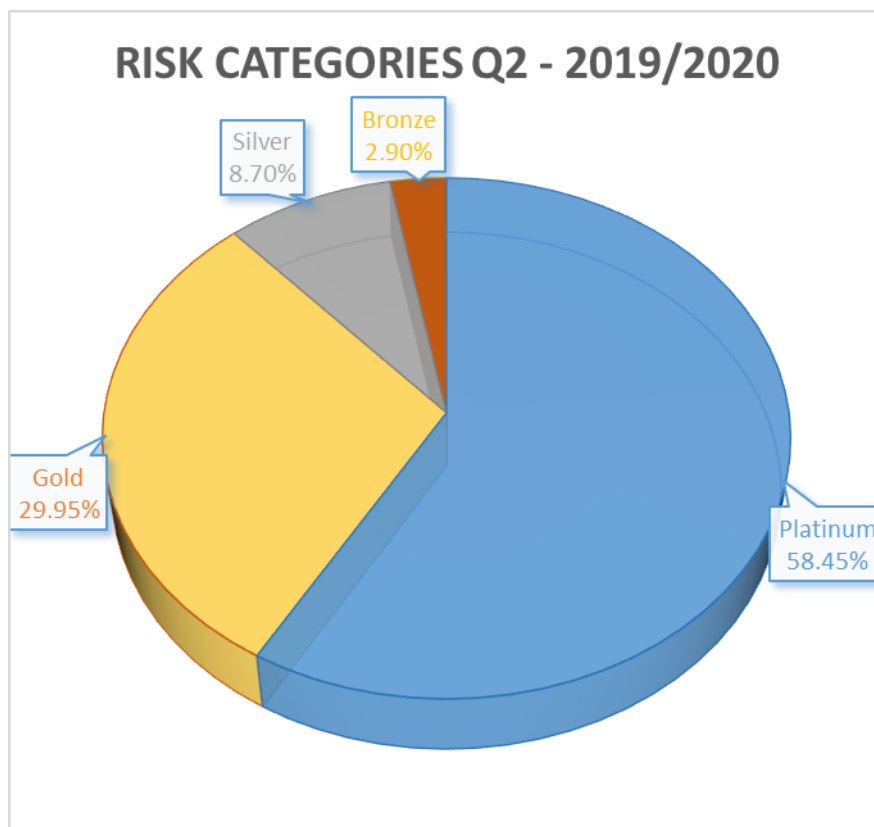
Based on the average above an average SIZA member will be a Gold rating as seen in the risk matrix below

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	Q2 – 2019/2020	Q1 – 2019/2020	Q4 – 2018/2019	Q3 – 2018/2019	Q2 – 2018/2019	Q1 – 2018/2019	Q4 – 2017/2018
Platinum	121	73	83	55	39	49	39
Gold	62	40	42	88	59	33	36
Silver	18	12	20	12	3	11	21
Bronze	6	15	5	4	0	4	4

9. Improvement / Corrective Action

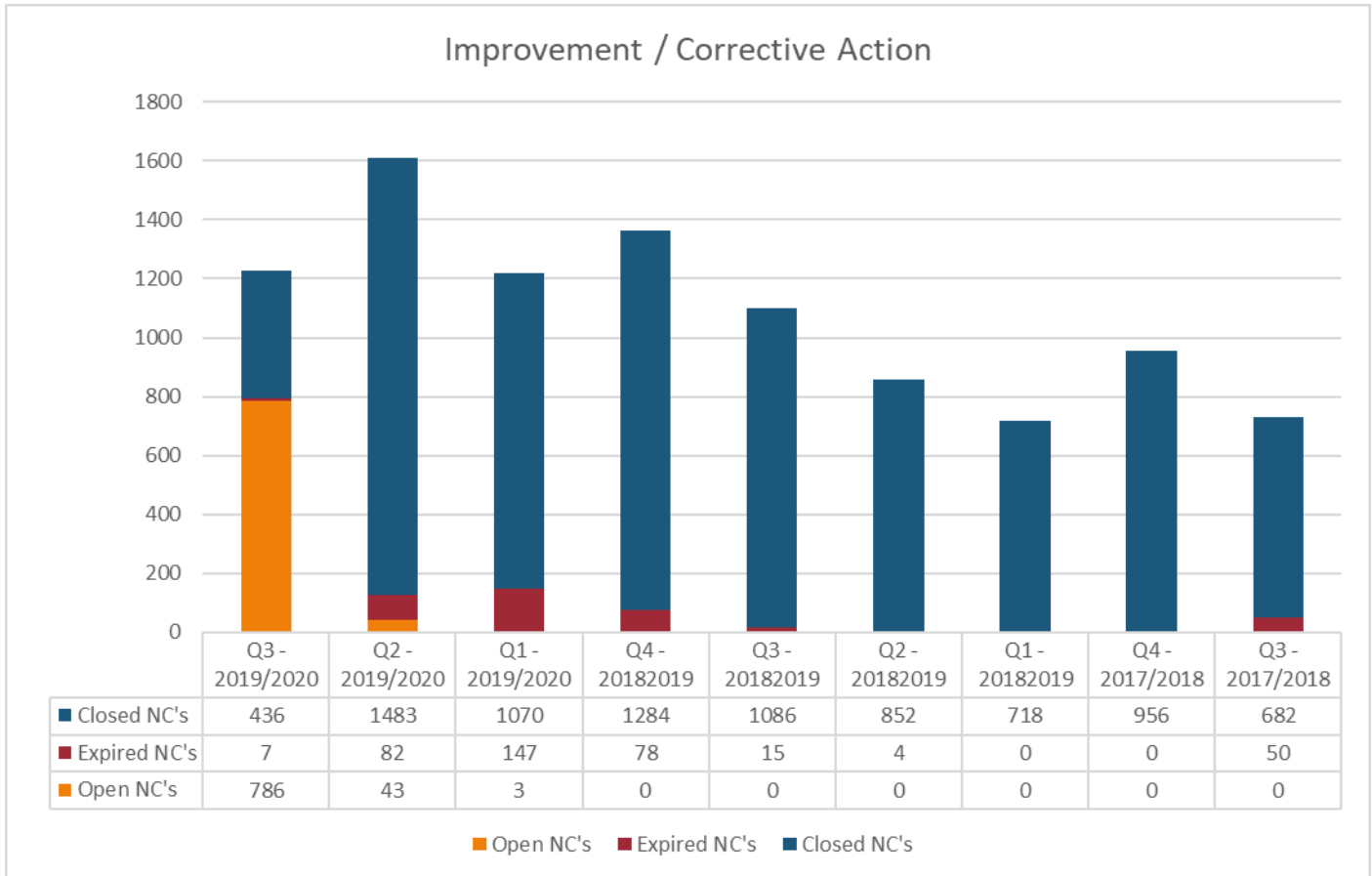
The platform now enables SIZA to actively monitor improvement on farms that have gone through 3rd party Ethical audits. Calculating from only approved and completed audits In Q1 – 2019/2020 a total of 1155 non-conformances that was raised during audits, 54.81 % have already been closed / signed off by the auditor.

Period	Open NC's	Closed NC's	Expired NC's
Q3 - 2019/2020	63.95%	35.48%	0.57%
Q2 - 2019/2020	2.67%	92.23%	5.10%
Q1 - 2019/2020	0.25%	87.70%	12.05%
Q4 - 2018/2019	0.00%	94.27%	5.73%
Q3 - 2018/2019	0.00%	98.64%	1.36%
Q2 - 2018/2019	0.00%	99.53%	0.47%
Q1 - 2018/2019	0.00%	100.00%	0.00%
Q4 - 2017/2018	0.00%	100.00%	0.00%
Q3 - 2017/2018	0.00%	93.17%	6.83%

The graph below clearly shows how over time NC's have 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 the where there is still corrective action required by the grower to show improvement.



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

B. 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%).

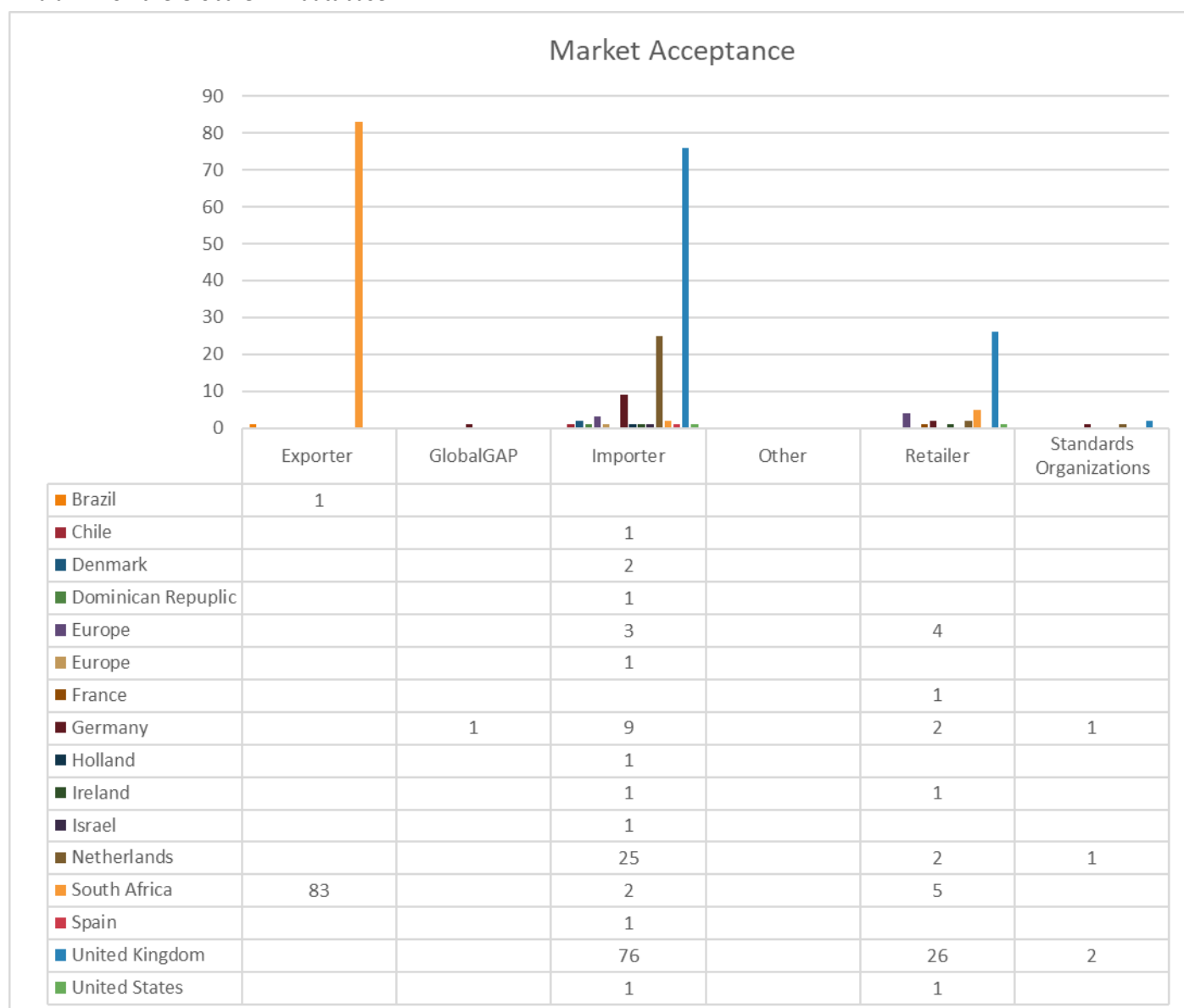
C. SIZA Market Acceptance

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 3 platforms at this stage

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



SIZA will continue to monitor the market growth and continuously engage with new markets for further acceptance. Across the 3 different platforms SIZA is accepted by 256 businesses that operates in 15 different markets.