

February 2015

**Dear Fresh Produce Agent**

The purpose of our quarterly newsletters are to recap on important legislative requirements and above all, to remind agents of the importance of upholding ethical values *at all times*, as these remain the agency’s building blocks for sustainability and growth.

In this newsletter we focus on critical aspects to consider when appointing a new sales person.

# Hiring a new salesperson

When considering hiring a new sales person, certain minimum criteria must be considered prior to appointment, such as:

* What is the person’s work history, how long did he/she work at the previous employer and what was/were the reason/s for leaving?
* Was the person ever convicted of an offence that contains elements of dishonesty or improper conduct?
* What do you read “between the lines” in the referral letter?
* What is the person’s strengths and weaknesses? We all have them, but some will be incompatible for the agent occupation.

# The salesperson’s contract

Once you’ve been through the above (and additional pre-requirements) and decide to hire, ensure that you enter into a contract with the salesperson.

The contract should be in terms of the Basic Conditions of Employment Act and also capture the ethical values that your business aspires to, such as:

*Standard Operating Procedures*

* Stock receiving – Checking the delivery notes against the physical stock, the marking of the product, the quality of the produce, stacking, etc.
* Sales & record keeping – ensuring no product left the floor without payment and a Freshmark sales document.



* Dispatching – loading and additional control systems.
* Stock control procedures – daily counting of stock in order to ensure it reconciles with the Freshmark stock report.
* Discarding – what the procedures are and how to report accordingly to the farmer.

*Agent communication and duties*

* Price discovery – Agents should be price-makers, not price-takers.
* Daily communication – How and what must be communicated to the farmer.
* Marketing of the fresh produce and the aggregated services agents render.

# Applying for a sales person’s registration certificate at APAC

Simultaneously with the decision to hire a sales person, should be the submission to APAC to request that a fidelity fund certificate be issued. It remains crucial for Directors/Managers of agencies to ensure that the sales person does not operate as an agent until the fidelity fund certificate is issued. *WHY?* It is a criminal offence to act as an agent without a fidelity fund certificate and secondly the Act (Act 12 of 1992) furthermore stipulates that no agent may receive a remuneration for services rendered UNLESS he/she is registered.

The application forms to register a new sales person are available on the APAC website, under the heading “forms”.

# Implications of hiring the wrong person

In accordance with section 19 of the Act, all fresh produce received by a salesperson forms part of the trust account. The importance of this is to ensure that the salesperson understands that if any stock is short, the trust account has a shortage. This does not only have severe implications for the Directors of the business, but if we look at Section 51(2)(a) of the Criminal Law Amendment Act No. 105 of 1997, shortages of R500’000 and above, can even result in a person being imprisoned for up to 15 years. Salespersons must always understand that they are not the owners of the fresh produce, to do as they “please”, *but they are entrusted by the farmer to sell lawfully on his behalf*.