

***Farm Workers' Living and Working Conditions in
South Africa: key trends, emergent issues, and
underlying and structural problems***

a report prepared by

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based on a research project

commissioned by

THE PRETORIA OFFICE OF
THE INTERNATIONAL LABOUR ORGANIZATION

February 2015

Executive Summary

Employment relations between farm workers and their employers are in the spotlight following violent farm worker protests in the Western Cape in November 2012 and the revision of the Sectoral Determination 13: Farm Worker Sector in March 2013. The emergence of various (sometimes controversial) studies and media reports on farm workers' working and living conditions over the past few years has deepened and broadened the discourse on the multiple and diverse challenges facing agricultural producers, employers and workers. However, outdated assumptions and over-simplifications continue to fuel unhealthy polarisation in the perceptions and views of key role players and the public in general. This study seeks to highlight the ways in which the landscape has changed and to provide a perspective that allows for a more systemic understanding of the drivers that create the conditions for labour conflict.

Five desktop reviews were undertaken as part of Phase 1 of the research project. These reviews focused on (a) the demographics of farm workers and farm dwellers; (b) the underlying economic context that governs farm employment; (c) the regulatory framework that governs the relationship and circumstances between farm workers, farm dwellers, employers and owners, labour brokers and other contractors; (d) the socio-economic conditions of farm workers; and (e) the movement of workers off-farm, including consideration of trends relating to tenure security of farm dwellers and farm evictions. Chapter 1 provides a synthesis of these reviews, as well as analyses of (a) the financial position of the farm sector, and (b) the working conditions of farm workers based on findings of the Quarterly Labour Force Survey (QLFS) and regression analyses applied to the Labour Market Dynamics in South Africa (LMDSA) data sets for 2011-2013.

According to the 2011 Census, 759 127 households with an aggregate population of 2 732 605 people (5.28% of South Africa's population) lived in *Farm areas*¹ of South Africa in 2011, of whom 592 298 households with a population of 2 078 723 people lived on farms. At least 91.2 per cent of the *Farm Area* population was South African citizens, and at least 4.9 per cent was not. Excluding employed people who earn no income (typically business owners and family members working in those businesses) and those who did not specify their incomes, 65.1 per cent of employed Farm dwellers earned R1 600 or less per month, and a further 17.2 per cent earned between R16 001 and R3 200 per month in 2011. However, 2.5 per cent earned more than R25 600 per month. (Stats SA, 2013b).

According to the Quarterly Labour Force Survey (QLFS) (Stats SA, 2014), 696 288 worked in Agriculture, Hunting, Forestry and Fishing in South Africa in the third quarter of 2014. The list of occupations of those people is diverse, and clearly not all people employed in that group of sectors are farm workers. Two occupation categories that are farm-based, "Farmhands and labourers" and "motorised farm and forestry plant operators", respectively account for 65.7 per cent and 6.5 per cent of the total. Seventy per cent of farmhands and labourers are employed in the growing of crops, 22 per cent in farming of animals, and seven per cent in mixed farming operations.

¹ The 2011 Census (Stats SA, 2013b) categorized people living in South Africa by Geography Type, i.e., whether they reside in an Urban Area, a Traditional or Tribal Area, or a Farm area. Farm areas are predominantly large-scale, commercial farming regions.

The following statistics relate to the working conditions of farmhands and labourers working for someone else for pay in the formal sector in the agricultural, hunting, forestry and fishing industries during the 3rd Quarter of 2014:

- **Work status:** 51.1 percent had employment of a permanent nature, 25.2 per cent had employment of limited duration, and 23.6 per cent had employment of unspecified duration. Women were less likely than men to have employment of a permanent nature.
- **Employment contracts:** Over 92 per cent of workers with employment of a permanent nature and 80.8 per cent of workers with employment of a limited duration have written employment contracts. However, a mere 40 per cent of workers with employment on unspecified duration have written employment contracts.
- **Work hours:** The modal range of hours usually worked per week was 41 to 45 hours per week (41% for men and 47% for women), followed by 36 to 40 hours per week (25% and 23%, respectively), and 46 to 50 hours per week (14% and 13%, respectively). On average, women usually work fewer hours than men, with 22 per cent of women and 30 per cent of men usually working more than 45 hours per week.
- **Paid vacation leave:** Only 46.4 per cent were entitled to paid vacation leave, however, the incidence ranged from 75.2 per cent for workers with employment of a permanent nature to approximately 15 per cent for workers with employment of a limited or unspecified duration.
- **Paid Sick Leave:** Only 35 per cent were entitled to paid sick leave, however, the incidence ranged from 58.7 per cent for workers with employment of a permanent nature to approximately 10 per cent for workers with employment of a limited or unspecified duration.
- **Maternity/Paternity leave:** Few farmhands and labourers were entitled to maternity (5.6%) or paternity leave (1.5%).
- **Contribution to pension or retirement fund:** Only 20.6 per cent of farmhands and labourers received a contribution to pension or a retirement fund, however, the incidence ranged from 38.6 per cent for workers with employment of a permanent nature to less than 3 per cent for workers with employment of a limited or unspecified duration.
- **Medical aid or health insurance contribution:** Only 1.5 per cent received contributions to medical or health insurance.
- **UIF Deductions:** Approximately two-thirds (67.1%) had deductions for UIF. The proportion was higher for workers with employment of a permanent nature (90.3%) vs. those with employment of a limited or unspecified duration (45.2% and 40.4%, respectively).
- **Mode of salary negotiation:** The most frequent mode of salary negotiation reported by farmhands and labourers is direct negotiation with their employers (81.4%). Negotiation between labour unions and employers is notably higher for permanent employees (9.0%) than for workers with employment of limited (0.7%) or unspecified duration (1.1%). Relatively fewer permanent workers reported having no regular salary increase (3.8%) relative to workers with employment of limited (14.7%) or unspecified (14.8%) duration. A higher proportion of women than men reported having no regular salary increase (11.3% of women vs. 7.9% of men).

The literature reviews identified several important contemporary themes impacting on employment on farms and the working and living conditions of farm workers include the changing regulatory environment of the sector post 1994:

- **Market deregulation and trade liberalisation** have, on the one hand, seen the state withdrawing from the sector. Agricultural marketing boards and the single marketing system, which previously forced producers to negotiate *en bloc* with powerful international supermarkets, were phased out. Trade liberalisation saw the phasing out of tariff protections to South African farmers and further decreases in farm subsidisation. As a result of the latter, the Producer Support Estimate to South African producers shrunk to about 3 per cent - well below the 20 per cent average of the Organisation of Economic Cooperation and Development (OECD).² The extent to which the previous tariff regime was reduced also went far beyond what was required in terms of the Uruguay Round Agreement on Agriculture (URAA, cited in Griffiths, 2003).
- Trade liberalisation has also deepened South African producers' **integration into global food value chains**. It has done so at a point in time when international (and local) retail power has become increasingly consolidated and more powerful. The combined processes of market deregulation and supermarket consolidation have served to weaken producers' collective bargaining power in the market place. As a result, some of the agricultural value chains, which were previously controlled by South African producers, are now controlled by international retailers. In the process, most South African producers have become price takers.
- While the state on the one hand withdrew from the sector, on the other hand it has inserted itself purposefully into the agricultural sector by **legislating the relationship between producers and labour**. First, it extended labour legislation to farm workers, who were previously not protected by either the Basic Conditions of Employment Act or the Labour Relations Act. Second, in 2003, a Sectoral Determination for agricultural was promulgated which set a minimum wage for the sector. Third, the Extension of Security and Tenure Act, effected in 1997, aimed to provide more security of tenure to farm workers living on farms.

As the result of the combined pressures outlined above, producers have adopted various coping strategies. Where labour have been a major cost component of their business, work forces have been restructured, leading to an overall decrease in the total of workers employed, but also increased casualization and externalisation. The restructuring process is likely to have geared up a notch following the 52 per cent increase in the minimum wage implemented in March 2013.

The second part of this study hones in on how employers in the sector have restructured their labour forces and how this has impacted on farm workers. To this end field work was conducted in ten case study sites across South Africa. In total, 48 farms were visited. In-depth, structured individual interviews (SIIs) were conducted with 208 farm workers of which 158 were permanent workers and 50 were seasonal workers. Due to logistical challenges, field work was unfortunately conducted during the off-season in some areas, making it difficult to get access to seasonal workers. Group interviews were conducted with an additional 250 farm workers that comprised both permanent and seasonal workers. In-depth SSIs were conducted with 48 producers. In addition, about 90 interviews with key stakeholders were held across the case studies; these included

² OECD, 2011: 252, cited in Sender, 2012

representatives of producer organisations, trade unions, NGOs, government officials, industry bodies, social and health care workers.

An important caveat of the study findings: given the size of the sector and the limited resources available for this study, the findings presented are not necessarily representative of the entire sector. Instead, they aim to present a series of “snapshots” from across the country to highlight key pressures impacting on labour relations in the sector and how these are playing out in the work place. Case studies were chosen to gauge to what extent a range of factors have had an impact on labour management strategies. These included labour intensity, the seasonality of farming operations, the ability of various sub sectors to mechanise, and their exposure to international markets.

The dominant producer strategy to cope with the economic pressures has been to expand production to benefit from economies of scale. To cope with the increased labour demands that resulted from expanded production, employers have resorted to two main strategies. Firstly, they have casualised their workforce. This means, that instead of employing more permanent workers to cope with increased production demands, they have employed more seasonal workers. While the bulk of seasonal workers are still employed only during peak production periods, a growing section is employed beyond the peak period, sometimes for more than nine months of the year. This trend of employing seasonal workers on extended contracts is especially evident in labour intensive industries such as sugar cane, table grapes, apples and also oranges. There is a need for clearer guidelines to regulate the employment of such “long term” seasonal workers.

A second strategy followed by producers to meet increased labour demand, has been to externalise labour. Externalisation was especially common in the sugar industry, where almost all cane cutting is done by contractors. Numerous drivers have been listed for externalisation in this industry including the need to cut costs, to improve efficiencies, and to avoid the transaction and frustration costs of having to manage low-skilled workers.

Non-permanent workers in the sugar industry are especially vulnerable: not only is their employment externalised, but they are often migrants and, in case of Nkomazi, foreign migrants. The scope for exploitation of such workers is therefore high. Reasons provided by producers for employing migrants were that locals were allegedly not prepared to do the work “for cultural reasons”; that it was “below them to do this type of work”. However, a more likely explanation is that the terms and conditions of work in this subsector are poor. Hours of work tend to be short: while some employers in the sugar industry pay workers at or above the legislated minimum hourly wage, their wages are low because they work for less than nine hours a day. It was also alleged that some small, black farmers in areas under the control of traditional councils and some land reform beneficiaries were not paying workers the minimum wage in the sugar sector. Consistent allegations were also made that small, black contractors employed in the sugar cane industry were not only using “illegal foreigners”, but were not compliant with labour legislation.

About half of the case study producers in the Western Cape made use of labour brokers to supplement their seasonal labour force. However, probably as a result of ethical trade audits that monitor the conditions of workers employed by labour brokers, farms in the Western Cape were found to be more compliant than those in other areas. An interesting finding was that the majority

of producers attached more value to the results of ethical trade audits than to inspections of the Department of Labour.

Reasons offered by case study producers for resorting to casualisation and externalisation were twofold. Firstly, employing workers on seasonal contracts was more cost effective. This was especially the case in the Western Cape where permanent employment was still strongly correlated with the provision of on-farm housing and a range of benefits that increased overall costs to company. Secondly, the vast majority of seasonal and externalised workers lived off-farm. Recruiting such workers means that employers avoid having to grant security of tenure to workers living on farms, as required by the Extension of Security and Tenure Act (ESTA). It seems therefore that one of the unforeseen consequences of ESTA has been to contribute to the process of casualisation.

Another key finding is that migrant labour is well established in certain areas and on the rise in others. While the sugar cane producers of Eston and Nkomazi have been using migrants for some time, migrant labour in the Sunday's River Valley has reached new heights during the past ten years. Migration to the labour intensive fruit areas of the Western Cape is also increasing. An attraction of Western Cape farms is that they offer longer seasonal employment at higher wages than those in other parts of the country. Moreover, because Western Cape fruit and wine farms have been subjected to ethical trade audits for some time, they tend to be more compliant with labour and health and safety legislation. From a producer's perspective, recruiting migrant labour is attractive because more control can be exercised over labour, especially where they stay in on-farm hostels. Such control is critical in highly labour intensive industries where high absenteeism during key production periods can lead to serious crop losses, or, in the case of the sugar cane industry, to costly dosures of the sugar mill. Over time migrants seemingly begin to settle in local townships to avoid having to stay in shared hostel accommodation on-farm, to be closer to services and so they can have their families with them.

As a result of the use of off-farm, seasonal workers, but also because producers are increasingly appointing *permanent* workers on an off-farm basis, many rural towns that used to resemble sleepy hollows have developed into sprawling, underserviced informal settlements. It is not entirely clear whether the considerable growth of these informal areas is predominantly part of a voluntary movement off-farm, the result of in-migration from other parts of the country, or because of persistent evictions of farm workers. Recently, it has been alleged that the Western Cape has been hit by a wave of farm evictions, suggesting that the latter has been one of the main causes leading to the expansion of rural towns. During this research it was difficult to find any objective evidence proving that this is indeed the case. Municipalities, the courts, Department of Rural Development and Land Reform do not keep consistent, reliable information on evictions, and if they do, such information was not made available to the researchers despite numerous requests. Data provided by these sources were mostly conflicting. Moreover, while getting information about legal evictions was still an exercise of the possible, getting any objective information about illegal evictions proved to be virtually impossible.

Further research should be conducted to find out what drives migration to rural towns and how this dynamic works as it clearly has important ramifications for rural planning. Some rural towns are serving as unexpected centres of economic growth and (seasonal) employment. Yet, rural development policies are poorly aligned to these processes, leaving local government ill-equipped to

cope, let alone benefit, from such migration and development. Municipal officers interviewed mostly felt overwhelmed to cope with the influx of people, to provide housing, infrastructure and services. Officials pointed to already long waiting lists – and complained that it would take decades to deal with existing backlogs. These lists did not even include the majority of farm workers. Many rural informal settlements do not only present a health hazard for those residing there, but also constitute an environmental threat as many rural municipalities do not have adequate infrastructure. At the moment raw sewerage is ending up in river courses. This poses a threat to the exportability of irrigated crops that are subjected to stringent food safety standards. The problem of inadequate housing for farm workers therefore has larger repercussions that threaten all stakeholders.

Legislation and policy aiming to provide farm workers with housing and security of tenure appears to be hugely out of step with a growing, off-farm farm worker population. Extending on-farm tenure security and protection from eviction is no longer the single, biggest need of farm workers. Farm workers are increasingly becoming a diverse group, living in a variety of different situations and with a range of needs of which tenure security is but one. Thus far, state policy has failed to respond to this complexity. The state's main vehicle for providing assistance for farm worker housing is the Farm Worker Housing Assistance Programme (FWHAP). Yet, that programme only provides subsidies for on-farm housing for *permanent workers* if producers agree to provide security of tenure (and often increased security of tenure) to permanent farm workers. Yet, the very fact that permanent on-farm workers can obtain security of tenure has motivated producers to recruit seasonal workers off-farm. The result is that farm worker housing is increasingly becoming the responsibility of local government, which is regrettable given that the provision of on-farm housing would alleviate some of the pressures on rural municipalities to provide housing.

More importantly, FWHAP does not make any provision for subsidisation of seasonal on-farm housing. Yet, the majority of farm workers are currently employed on a seasonal basis. The policy seems myopic. While ESTA makes provision for the Minister of the Department of Rural Development and Land Reform to facilitate off-site developments to extend the security of tenure of workers, little evidence could be found of any such development in recent times. It would clearly be to the benefit of the majority of seasonal workers if government could provide subsidies for on-farm housing that would improve the often cramped seasonal accommodation they currently live in, but also to develop long-term, permanent housing for an increasingly off-farm farm worker community. A multi-stakeholder approach is urgently needed to ensure that farm workers' access to housing is improved: it requires innovative thinking and cooperation on behalf of both the state – at all levels – as well as industry.

Regarding farm workers' working conditions, the study found a fairly high rate of compliance in terms of granting of key rights. It has already been pointed out that the main problem area is the sugar industry, where labour is not only externalised, but where the use of foreign migrant labour is high. Another problem area, across industries, is the failure to grant pro rata leave to seasonal workers employed for less than four months continuously by the same employer. This is largely because Sectoral Determination leaves too much room for interpretation in this regard. The conditions under which most producers across case studies grant sick leave to workers are also problematic. Employers' insistence on a medical certificate or even a clinic letter on the first day of illness frequently has the effect that workers either a.) have to pay expensive medical fees for the

“luxury” of being ill or b.) sit in very long queues when they are genuinely ill before they can go back to bed to recuperate. While employers resort to this tactic to manage alleged abuse of sick leave and high absenteeism, the practice transfers risk to the most vulnerable: poor, sick farm workers.

Most producers in this study complied with minimum wage legislation. However, the issue that led to the 2012 De Doorns farm worker protest was not one of non-compliance with the minimum wage, but one of a “too low” legislated wage. That key challenge persists. As the Bureau for Food and Agricultural Policy (BFAP) has pointed out in its analyses of agricultural wages: the industry is in a stalemate. On the one hand, most farmers cannot afford a wage of R150 per day; on the other, most households (consisting of two adults and two children) cannot prepare meals that are of acceptable nutritional standards, even if both parents earn R150 per day. The key challenge for the industry is to move beyond this stalemate.

This research points to the critical role which government must play to enable worker and producers to break this stalemate. Trade liberalisation and deregulation has considerably weakened producers’ collective power over the last decade. The result has been that they have become price takers and are increasingly on the defensive to protect their dwindling profit margins. Government’s prevaricating statements on land reform have further increased producer’s perceptions of their own vulnerability. This research shows that as producers have become more pressurised, they have increasingly passed on risk to farm workers through the processes of casualization, externalisation, and making further cost savings by recruiting workers off-farm.

Government’s failure to take a value chain perspective of the industry’s woes has resulted in macro-economic policy that is increasingly weakening producers bargaining power in the market. Supporting farm workers without simultaneously supporting producers will be an exercise in futility. It is necessary to strengthen the bargaining power of both producers and workers to ensure that profit is distributed more equitably along the value chain. If retailers are concerned about sustainable value chains, also they have to engage with this problematic. A positive spin-off of the De Doorns strike has been the realisation among key industry players in both the producer and worker camps that their fortunes are intertwined. Their willingness to engage each other presents a key opportunity. Government has to become part of this social dialogue and reshape the macro-economic environment to enable both producers and workers to move forward.

Key recommendations

The state should play a much more active role to simultaneously bolster the collective bargaining power of producers and workers to ensure a more equitable flow of value down agricultural value chains. State intervention aimed to improve the livelihoods of farm workers since 1994 has largely failed to achieve its objectives because it does not appreciate that the fortunes of workers and producers are interlinked. Lack of state support to producers has reduced their ability to resist pressures in the value chain. Producers’ coping strategies have passed on risk to workers. The pressures on both producers and workers will keep mounting if the state does not intervene more decisively and take a value chain approach to the problem. During this research, clear signs could be found that both groups are exiting the agricultural sector. Producers and workers should both

separately and jointly put pressure on government to deliver on the following key recommendations.

To bolster the bargaining power of producers in agricultural value chains, the following recommendations are suggested. The state should:

- help to open up new export markets to make producers less beholden to their traditional markets. This will increase their bargaining power. More generic marketing of South African agricultural produce by the state would also benefit the industry;
- Eliminate non-tariff trade barriers imposed by other countries on SA exporting producers when negotiating trade agreements;
- Consider exempting exporting producers from the Competition Act to allow them to collectively set floor prices that would incorporate a living wage for farm workers; and
- More aggressively support the establishment of processing facilities and post-harvest facilities (such as cold storage facilities) that could extend the season and give more work to seasonal workers, but also allow producers to sell value-added products that will fetch them higher prices.

To bolster the bargaining power of workers in agricultural value chains, the following recommendations are made. The state should:

- Adapt existing labour legislation to the fact that most workers are now seasonal;
- Eradicate ambiguities in SD13 to avoid interpretations that are harmful to workers (e.g. the granting of pro-rata leave);
- Change the Labour Relations Act to make it easier for both unionised and non-unionised workers to bargain collectively and take part in protective strikes;
- Facilitate the appointment of labour representatives on farms, provide or facilitate labour rights training to them and give them access to a regularly updated data basis of organisations that offer assistance to farm workers;
- Support paralegal offices servicing rural areas such as advice bureaus and legal centres which are acutely under-resourced;
- Facilitate closer co-operation between the Department of Labour and ethical trade bodies such as WIETA and SIZA to monitor on-farm training;
- Not ban labour brokering outright as these agents currently fulfil an important function coordinating seasonal work. If labour brokering is banned, another agent should be found to coordinate seasonal work. Different types of labour brokering should be better defined and regulated. Self-regulation of the industry should be encouraged; and
- Roll out the Public Works Programmes in rural areas during the off-season to allow seasonal workers to benefit from more work opportunities and a more consistent income (e.g. road building; brick-making for RDP houses.)

During this research both workers and producers raised lack of housing support as a key issue. It is recommended that the state revisit its existing housing policy in relation to farm workers.

More specifically, the state should:

- Provide more support for on-farm housing (conditions for housing subsidies should be less onerous) to alleviate the burden on the state to provide housing to an ever-growing pool of off-farm workers. One of the unintended consequences of ESTA has been increased casualization of farm work and the accompanying trend of sourcing farm workers from local towns;
- Enter public/private partnerships with producer communities to build more off-farm worker housing;

- Increase the housing budget of rural municipalities to accommodate housing for seasonal farm workers;
- Improve infrastructure provision to rural towns, especially to improve water and sewerage provision; and
- Improve public transport in rural areas to decrease the isolation of on-farm workers.

Acknowledgements

The authors gratefully acknowledge the contributions of the following people towards this research project:

- Andries du Toit, Doreen Atkinson, Jan Theron, Jeanette Clarke and Karin Kleinbooi for their contributions towards developing the research proposal, preparing literature reviews in Phase I of the research project, and developing the research methodology that was used to conduct the case studies in Phase II of the project;
- Jeanette Clarke, Hanlie van Dyk-Robertson and Mompoti Baiphethi for serving as Lead Researchers for the Sundays River Valley, Levubu and Nkomazi (Jeanette Clarke), Ventersdorp and Bothaville (Hanlie van Dyk-Robertson) and Gauteng (Mompoti Baiphethi) case studies, and for preparing reports on their respective case studies;
- Alex Montgomery of DataFirst in the School of Economics, University of Cape Town, for conducting research on Quarterly Labour Force Survey (QLFS) and applying regression analyses to the Labour Market Dynamics in South Africa (LMDSA) data sets;
- Andries du Toit for his constructive comments on an earlier draft of this report;
- Jan Theron and Vic van Vuuren for serving as members of the project management committee; and
- Lima Rural Development Foundation for providing administrative services to the project team and for funding the proposal phase of the project.

In addition, we thank the many people and organisations who participated in the field work component and key stakeholder interviews of the project.

This research was commissioned and funded by the Pretoria Office of the International Labour organisation.

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List of Acronyms

AFIT	Association for Fairness in Trade
BBBEE	Broad-Based Black Economic Empowerment
BCEA	Basic Conditions of Employment Act 75 of 1997
BEE	Black Economic Empowerment
BFAP	Bureau for Food and Agricultural Policy
CASP	Comprehensive Agricultural Support Programme
CCMA	Commission for Conciliation, Mediation and Arbitration
CDE	Centre for Development and Enterprise
CGA	Citrus Growers' Association
COIDA	Compensation for Occupational Injuries and Diseases Act
COSATU	Congress of South African Trade Unions
DAFF	Department of Agriculture and Fisheries
DAFF	The Department of Agriculture, Food and Forestry
DHS	National Department of Human Settlements
DLA	Department of Land Affairs
DoH	Department of Health
DoL	Department of Labour
DRDLR	Department of Rural Development and Land Reform
DTI	Department of Trade and Industry
ECARP	Eastern Cape Agricultural Research Project
ECC	Employment Conditions Commission
EEA	Employment Equity Act
ESTA	Extension of Security and Tenure Act 62 of 1997
ETI	Ethical Trading Initiatives
EU	European Union
FAS	Foetal Alcohol Syndrome

FDI	Foreign Direct Investment
FIVCRT	Value Chain Round Table
FTE	Full Time Equivalent
FWHAP	Farm Worker Housing Assistance Programme
GEIS	General Export Incentive Scheme
GM	Genetically modified
GVP	Gross Value of Production
HR	Human Resources
IDP	Integrated Development Plan
ILO	International Labour Organisation
ITP	Integrated Transport Plans
LMDSA	Labour Market Dynamics in South Africa
LRA	Labour Relations Act
LTA	The Labour Tenants Act
NAMC	National Agricultural Marketing Council
NARS	South Africa's National Agricultural Research System
NFI	Net Farm Income
OHSA	The occupational Health and Safety Act
PTO	Permission to Occupy
QLFS	Quarterly Labour Force Survey
RoA	the Rate of Return on Assets
SACGA	The South African Cane Growers' Association
SACU	The Southern African Customs Union
SADC	The Southern African Development Community
SAFEX	South Africa Futures Exchange
SALGA	South African Local Government Association
SAPS	The South African Police Service

SARS	The South African Revenue Service
SASA	The South African Sugar Association
SD 13	Sectoral Determination 13: Farm Worker Sector
SDA	The Skills Development Act
SDLA	Skills Development Levies Act
SEDEX	Supplier Ethical Data Exchange
SERI	Socio-Economic Rights Institute
SETA	Sector Education and Training Authority
SHAFFE	Southern Hemisphere Association of Fresh Fruit Exporters
SII	Structured Individual Interviews
SIZA	Sustainability Initiatives of South Africa
SRCC	Sundays River Citrus Cooperative
SRV	Sundays River Valley
SSA	Sub-Saharan Africa
SusFarMS	Sustainable Sugarcane Farm Management System
TA	Tribal authority areas
UIA	Unemployment Insurance Agency
UIF	Unemployment Insurance Fund
WAPA	World Apple and Pear Association
WCDC	West Coast District Council
WF	Workplace forum
WHO	World Health Organisation (WHO)
WIETA	Wine Industry Ethical Trade Association
WOSA	Wines of South Africa
WOSA	Wines of South Africa (WOSA)
WTO	World Trade Organisation

Introduction

Employment relations in the agricultural sector in South Africa have been in the spotlight for the past several years, and never more so than during the recent wave of violent farm worker protests that began in the Du Doorns area in the Western Cape in November 2012. The previous year saw the publication of, and considerable negative publicity emanating from, the controversial Human Rights Watch (HRW) Report *“Ripe with Abuse”* (Human Rights Watch, 2011). Several other landmark studies and media reports have emerged during this period, deepening and broadening the discourse on the multiple and diverse challenges facing agricultural producers, employers and workers. Outdated assumptions and over-simplifications continue, however, to fuel unhealthy polarisation in the perceptions and views of key role players and the public in general. The tendency to assume that most farm workers live on the farm, dependent on the employer for all their needs is one example, as is the stereotype of the white-owned, owner-operated family farm as the norm.

In reality, employers in agriculture are increasingly diverse, as ownership patterns shift with farm consolidation, land reform and encroachment by agribusiness, as well as a growing reliance on contractors and labour brokers. Likewise, feudal relationships between farmers and farm workers are increasingly breaking down through movement off farms (for various reasons, including, but not only, evictions) and a shift away from use of permanent workers towards the use of indirect labour and short-term employment contracts. There are a number of other important shifts taking place that have a direct bearing on farm labour working and living conditions, as well as considerable diversity and complexity in employer-worker relationships.

There is a strong need for research that highlights the ways in which the landscape has changed, and seeks to build consensus amongst the central role-players about the nature of trends and their root causes. Further, there is a need to provide a perspective that allows for a more systemic understanding of the drivers that create the conditions for labour conflict.

The research proposal submitted to the International Labour Organisation (ILO) by the research team was informed by the following important considerations, which have in turn influenced the team’s interpretation of the TOR for the study as issued by the ILO:

Conceptual clarification and catching up. The team perceived a strong need for a research intervention that highlights the ways in which the landscape of labour relations on farms has changed since the mid- 1990s. The highly polarised and emotive debates of the present day are to a large extent based on assumptions that date back to this period. Many of these are no longer valid. Some central concerns of Apartheid and transition-era policy debates are becoming increasingly marginal, while new and pressing issues are arising that are too often ignored. A critical element of this study has therefore been to illuminate the changed landscape and contribute to conceptual clarity about current conditions and trends.

Focus on movement off farm and growing insecurity of employment. Amongst the significant shifts that have taken place since the mid-1990s two stand out, and are be singled out for special attention in the study. The first is movement off farms, occasioned by various factors including, but not limited to, evictions. The second is the restructuring of the agricultural workforce and the rise of indirect labour supply, temporary and insecure work. To a large extent these trends are already far advanced

and the focus therefore needs to shift to a greater understanding of the particular vulnerability of off-farm workers, seasonal workers and those in insecure employment.

A focus on analytical and systemic concerns. In a study of this nature, it was not possible or appropriate to survey the extent of labour violations and evictions, or to conduct a suitably representative survey of working conditions across the wide range in farm sizes, ownership categories and multiple other variables. Furthermore, surveying these issues is notoriously tricky, and attempting to provide a comprehensive survey that provides 'the final word' about human rights violations / evictions was considered to be simply unrealistic. Instead, the research was aimed at generating insight into the systemic issues that produce these difficulties in the first place.

Accordingly, the team developed a research proposal beginning with a comprehensive sectoral analysis, drawing on the extensive literature available, and the experience of the team. This in turn provided the insight necessary to select and design a suite of ten case studies for detailed on the ground investigation, a "ground truthing" exercise that tested assumptions and provided an opportunity to illuminate causal patterns and underlying trends. The case studies were selected to highlight key aspects of variability including the following:

- The extent of concentration and value chain integration
- The role of scale and capital intensity
- The diversity of labour sourcing arrangements,
- The impacts of new players (agribusiness, emergent farmers),
- Contiguity to or distance from other human settlements (a major issue affecting the availability of off-farm labour).

The case studies are focused particularly on agricultural industries that are relatively labour intensive, subject to labour shedding, or subject to particular economic stress. The case study analyses were conducted to consider economic and market factors that drive enterprise behaviour, as well as basic considerations such as legal compliance.

Objectives

The objectives of the proposed research were:

- a. To describe the most important trends in the living and working conditions of farm workers;
- b. To describe the key processes driving labour market restructuring in agriculture, including the movement of workers off farms; and
- c. To provide an analysis of the underlying structural conditions and drivers of these trends.

Scope of the research

The key areas and outcomes that the research study focused on include:

- **The underlying economic context that governs farm employment.** This includes:
 - i. regulatory context of markets and subsidies;
 - ii. market orientation;
 - iii. value chain integration and market restructuring, including the emergence of buyer driven value chains;
 - iv. economic implications for the viability of agricultural units, industry structure and value chain integration.

A key outcome of the first phase of this research was to identify 'hot spots' where farm workers living and working conditions are subject to particular contention and strains. The identification of these 'hot spots' was based on a sectoral and economic analysis of industry structure and value chain integration. This analysis was intended to provide a differentiated picture of what kinds of dispute / emergent issues are arising, with what degree of urgency in which sectoral and geographic area.

- **The regulatory framework that governs the relationship and circumstances between farm workers, farm dwellers, employers and owners, labour brokers and other contractors.** In this regard, the research team conducted a desk top review of existing laws and regulations pertaining to the agricultural sector. Particular foci of that review were to (a) examine the legislative framework governing the relationship between farm owners and farm workers, and all matters relating to employment law, including basic conditions, labour organization, security of tenure and the determination of wages; and (b) to provide an overview of the institutional framework for the enforcement and protection of workers' and employers' rights, including provisions around inspections, monitoring and access to justice.
- **Demographics of farm workers and farm dwellers based on existing survey and census data.** Some characteristics of farm labourers and farm dwellers, such as their age, education, gender, race and nationality, amongst others, may be correlated with their socio-economic conditions. So too might some characteristics of the businesses that employ farm workers (both farms and contractors), such as farm size, the business ownership structure, and its management structure. The researchers made use of various data bases, including the 2011 Census and the Quarterly Labour Force Survey (QLFS) to provide a description of the populations of farm workers and farm dwellers, and to examine recent trends in employment on farms and some aspects of working conditions of farm workers.
- **An overview of emergent issues relating to the working and living conditions of farm workers (both on and off farm).** This overview focused specifically on issues relating to hot spots above, and addressed factors such as:
 - i. wages and remuneration;
 - ii. delivery of services (water, health, social security, accommodation) by agricultural employers and municipalities;
 - iii. labour market restructuring, seasonalisation, externalisation and the impact on security of employment;

- iv. migration off farms, including but not limited to evictions – considering both the incidence and circumstances of evictions, migratory patterns, and access to information and perceptions of legal issues;
 - v. a specific focus on the living conditions of off-farm, casual, externalized and seasonal workers;
 - vi. a specific focus on the labour rights and employment conditions of migrants and non-South African workers; and
 - vii. trends relating to tenure security and farm evictions.
- **A specific analysis of issues pertaining to the movement of workers off farm (including evictions).** This included:
 - i. An enumeration of underlying factors influencing migration trends of farm workers, including but not limited to: the impact of Sectoral Determination, labour and tenure laws, and service delivery by government;
 - ii. An investigation of the impact of Sectoral Determination, labour legislation, and land reform legislation on security tenure for beneficiaries, and the identification of mitigation strategies;
 - iii. An analysis of the provisions for off-farm workers including agri-villages, municipal long-term human settlement plans for selected municipalities (based on a survey of selected municipalities where farmworker migrations pose a challenge to long-term human settlements planning); and
 - iv. An analysis of the socio-economic conditions of off-farm workers.

The Structure of the Report

The report structure reflects the research design. Chapter 1 presents a synthesis of five desktop reviews undertaken as part of Phase 1 of the research project (Atkinson, 2013; Clarke, 2013; Ferrer, 2013, Theron, 2013; and Visser, 2013). Some of the content of those reviews has been revised and some statistical information updated. Additional analyses of trends in the financial position of farms and the working conditions of farm workers have also been included in Chapter 1. Chapter 2 presents the empirical case studies of ten purposively selected localities, as well as the findings of discussions with key stakeholders that comprised Phase II of the research project. The first sections of the chapter explain the choice of the ten case study localities, and provide important context for each of those localities. They are:

1. **De Doorns** in the Western Cape (a table grape farming area);
2. **Ceres** in the Western Cape (deciduous fruit - apples and pears);
3. **Robertson** in the Western Cape (wine and mixed cropping);
4. **Sundays River Valley** in the Eastern Cape (citrus);
5. **Eston** in KwaZulu-Natal (sugarcane);
6. **Ventersdorp** in the North West province (extensive livestock and game ranching, maize);
7. **Bothaville** in the Free State (maize and various horticultural crops);
8. **Levubu** in Limpopo Province (subtropical fruit and macadamias);
9. **Nkomazi** in Mpumalanga (subtropical fruit and sugarcane); and
10. Poultry production in Gauteng (no specific locality).

These case study localities were selected with the objective of providing a representative spread of farming operations in South Africa, but with an emphasis on localities that exhibit key emergent trends that are likely to impact on farm workers working and living conditions, e.g., the emergence of private sector standards in the value chains of some agricultural commodities, changing patterns of farm ownership, and off-farm migration of farm workers. The case study analyses therefore provide a differentiated picture of which kinds of disputes and emergent issues are emerging with which degree of urgency in which sectors and geographic areas. In the next section of Chapter 2, the research methodology used to conduct the case studies is presented. The study made use of in-depth interviewing with key informants to investigate issues considered (on theoretical grounds) to be determinants of socio-economic conditions of farm workers. In broad terms, three categories of information fed into each locality case study:

- Interviews with the principal decision-makers of businesses that employ farm labourers, including both farmers and contractors;
- Interviews with farm labourers, including but not limited to farm workers living and or working on the farms in the farm unit survey; and
- Interviews with other key informants, e.g., representatives of local municipalities, commodity organisations, farmers' organisations, farm workers' unions, paralegals, and relevant local NGOs, amongst others.

The final section of the chapter provides a synthesis of the ten case study analyses as well as the findings of interviews with national level key stakeholders. The chapter concludes with a discussion of the main findings of the study.

Chapter 1: Conceptual Clarification and Catching up

South African agriculture embarked on a process of extensive restructuring post-1994. The driving forces of this change include both a deregulation of the sector (encompassing the phasing out of a protective tariff regime, a withdrawal of subsidisation, and the abolition of state-controlled marketing boards), as well as increased direct intervention in other aspects, such as land reform and labour legislation. Whilst the primary objective of this deregulation was to increase the economic efficiency of the sector and to keep food prices down, it was also complementary to the government's land reform programme in so far as it was expected to drive down prices of farmland (OPM, 2000), and “shake out” inefficient white farmers (Helliker, 2013), thus making more land available for redistribution at lower prices.

Whilst the establishment of black farmers was a major objective of the new state, it was not the only one as far as restructuring the agricultural landscape was concerned. At least rhetorically, the state has claimed concern for the well-being of the rural poor, a significant proportion of who depend on agriculture for their livelihoods. In an attempt to improve the lives of farmworkers specifically, the state therefore actively intervened in the sector by extending a raft of labour and social legislation to farm workers.

The process of restructuring, including changes to the regulatory framework governing employment of farm workers, as well as a myriad of other factors, had a substantial impact on the agricultural sector, and by extension on employment in the sector, including the working and living conditions of farm workers and farm dwellers.

The objective of this chapter is to illuminate the changed landscape and contribute to conceptual clarity about current conditions and trends in farm workers' working and living conditions. The first section introduces the reader to the populations of farm workers and farm dwellers in South Africa. Importantly, the section reports on recent trends in on-farm employment and presents descriptive statistics of the working conditions of farm workers in South Africa, based on data elicited from the Quarterly Labour Force Survey, amongst other sources. Next, the economic restructuring of commercial agriculture in South Africa is reviewed, including trends relating to de- and re-regulation, market orientation, value chain integration, industry concentration, and the penetration of agribusiness. The third section examines the regulatory framework that governs the relationship and circumstances between farm workers, farm dwellers, farmers and contractors. This is followed by a review of literature on the socio-economic conditions of farm workers and farm dwellers, a review of the financial position of the farm sector in South Africa, and a review of available reports on tenure security and farm evictions in South African agriculture.

Section 1.1: Demographics of farms, farm workers and farm dwellers in South Africa

Introduction

Whilst there is likely to be considerable overlap between the populations of farm dwellers and farm workers, not all farm dwellers are farm workers (or members farm workers' households), and not all farm workers are farm dwellers. The objective of this section is to present a description of the two populations using data from the 2011 National Census (Stats SA, 2013a and 2013b) and the Quarterly Labour Force Survey (QLFS) (Stats SA, 2014). The purpose is primarily to provide context for the current study.

The 2011 Census (Stats SA, 2013b) categorized people living in South Africa by *Geography Type*, i.e., whether they reside in an *Urban Area*, a *Traditional or Tribal Area*, or a *Farm area* (Table 1). The categorization of rural areas into *Traditional or Tribal Areas* and *Farm areas* reflects a distinct dichotomy of rural areas in South Africa. *Farm areas* are predominantly large-scale, commercial farming regions as being typified by farms with relatively higher turnovers that use capital-intensive modern production techniques, and have links with key input and output markets. Because non-white South Africans were excluded from owning farmland in these freehold farming regions under apartheid policies, in 1994 this land was almost exclusively owned by white South Africans, white-owned corporate entities, foreigners and the state (Louw, 2013). Post 1994 the state's Land Reform programmes and land markets have transferred the ownership of farm land in *Farm areas* to Black South Africans, however, the true extent of land reform to date is uncertain in the absence of a comprehensive land audit.

The *Traditional or Tribal regions*, also known as the "former homelands" or "Bantustans", are home to 31.8 per cent of South Africa's population. They are frequently, but erroneously, described as *communal farming regions*. Land in these regions is owned by the state but governed under traditional tenure arrangements in which households typically do have exclusive use-rights to arable land. Households' arable allotments are typically small (often less than one hectare per household) and often fragmented. The scars of betterment planning are still evident in some regions. Although households with registered Permission to Occupy (PTO) have relatively secure tenure, some articles have described land tenure arrangements in these regions as being weak in various respects. Louw (2013) describes these predominantly small-scale, subsistence farming regions as being characterized by labour-intensive, traditional production techniques, a lack of institutional capacity, and cause rights to arable land are not transferable on a temporary or permanent basis. Although most agricultural households in these regions farm for subsistence purposes, many are involved in commercial agriculture. Some farms are relatively large with arable plots consolidated either via land rental markets or via the establishment of group-owned corporate entities, such as co-operatives. Under-utilization of high potential arable land is a systemic problem in this sector: Aliber, *et al.* (2007, citing the Department of Minerals and Energy, 2006) noted that there were three million hectares of under-utilised, high potential arable land in the *Traditional or Tribal regions*.

Some researchers have described the rural dichotomy as *Farm areas* being 'commercial' or 'large-scale' farming regions and *Traditional or Tribal Areas* being 'subsistence' or 'small-scale' farming regions, however, both of these descriptions are, at best, generalizations. For example, Greenberg

(2013b), points out that if farmers are classified as being small- or large-scale according to a definition proposed by Kirsten (2011), then 56.5 per cent of farmers classified as being 'commercial farmers' in the 2007 Census of agriculture would be classified small-scale. Likewise, Armour's (2013), Vink & Van Rooyen's (2009) and AgriSETA's (2010) respective typologies of South African farmers all include categories of commercial farming in *Traditional or Tribal areas*.

Demographics of the population of Farm dwellers

The population of farm dwellers is defined in this section as people living on farms in *Farm areas* of South Africa. According to Stats SA (2013b), in 2011, 759 127 households with an aggregate population of 2 732 605 people (5.28% of South Africa's population) lived in Farm areas, of whom 592 298 households with a population of 2 078 723 people (76.1% of the *Farm area* population) lived on farms³. This population includes farm owners, farm workers and their families as well as other people who are neither farm owners, farm workers nor farm workers' families. Moreover, some farm owners and farm workers are not part of this population.

The proportion of *Farm area* residents that live on farms varied considerably between and within provinces. For example, whereas for aggregate *Farm areas* the ratio of people living on farms and small holdings to those living in formal, informal and traditional living areas and collective living arrangements was approximately 5:1, in KwaZulu-Natal it was close to 1:1 because of the large proportion in that province that reside in traditional residential settlements in *Farm areas*. Within KwaZulu-Natal the ratio varied from 5:2 in Umgungundlovu to 2:7 in the Sisonke District. By way of contrast, the ratio was 100:1 in the Cape Winelands in the Western Cape and Vhembe in Limpopo. Almost all people living in *Farm areas* of the Northern Cape resided on farms or small holdings

Race

Table 1.1 shows that in 2011, 70 per cent of the *Farm area* population were Black Africans, 15.6 per cent were Coloured, 13 per cent were White and 0.5 per cent were Indian or Asian. The proportion of the *Farm area* population that resided on farms varied by population group: 71.2 per cent of Black Africans, 95.9 per cent of Coloured people, 68.6 per cent of Indians and Asians, and 79.0 per cent of Whites. A fairly large proportion of Black Africans in Farm areas who did not reside on farms resided in *Traditional residential areas* of KwaZulu-Natal.

Nationality

At the time of the 2011 Census, at least 91.2 per cent of the Farm area population were South African citizens and at least 4.9 per cent were not (refer to Table 1.2). (The citizenship of the remaining 3.9 per cent of the population was indicated as either 'not specified' or 'not applicable'). The proportion of the population below the age of 20 years was 36.7 per cent for citizens and 14.5 per cent for non-citizens, possibly reflecting that non-citizen farm dwellers are more likely to live apart from their families than are citizens. The proportion of people living in Farm areas at the time of the 2011 Census who were not South African citizens varied widely both between and within provinces. Whereas more than 90 per cent of people in Farm areas of the Western Cape, KwaZulu-

³ Of the 23.9% of the population in Farm areas that did not reside on farms, 12.6% lived in traditional residential areas, 5.8% lived on smallholdings, 1.7% in informal residential area (1.7%), 1.2% in collective living quarters, 1.0% in formal residential areas, 0.9% in Parks and recreation areas, and 0.6% in industrial and commercial areas (Stats SA, 2013b). Some of these people are employed and unemployed farm workers and their families.

Natal and the Northern Cape who lived on farms or small holdings were South African citizens, approximately 20 per cent of people in Farm areas of Limpopo were not South African citizens. The percentage of non-South Africans in Vhembe District of Limpopo and Ehlanzeni District in Mpumalanga exceeded 38 per cent and 20 per cent, respectively.

Table 1.1: The Farm area population of South Africa by population group and enumeration area type, 2011

Enumeration area type	Population group					Total
	Black African	Coloured	Indian or Asian	White	Other	
Formal residential	18,802	1,730	1,172	5,185	82	26,970
Informal residential	46,128	572	116	146	109	47,071
Traditional residential	340,714	1,029	1,413	1,337	259	344,753
Farms	1,369,875	410,203	9,545	280,229	8,871	2,078,723
Parks and recreation	16,486	2,525	167	5,814	221	25,213
Collective living quarters	31,013	1,227	214	1,421	116	33,990
Industrial	14,956	278	146	1,692	39	17,111
Small holdings	86,150	10,181	1,131	59,036	1,025	157,523
Commercial	1,203	11	6	26	4	1,250
Total	1,925,327	427,755	13,910	354,886	10,727	2,732,605

Source: Census 2011 (Stats SA, 2013b)

Table 1.2: The population living in Farm areas of South Africa by citizenship and age, 2011.

Age groups in 5 years	Population group				Total
	Citizens	Non-citizens	Not specified	Not applicable	
00 - 04	272,579	7,145	5,265	1,023	286,012
05 - 09	224,077	2,497	2,860	2,038	231,472
10 - 14	207,927	1,772	2,763	4,409	216,871
15 - 19	209,197	7,905	1,448	9,765	228,315
20 - 24	238,102	26,379	1,529	12,925	278,935
25 - 29	233,867	29,282	1,499	12,705	277,353
30 - 34	191,677	20,425	1,317	9,513	222,932
35 - 39	180,637	13,864	1,003	7,743	203,247
40 - 44	161,084	7,757	906	6,816	176,563
45 - 49	149,341	5,037	729	6,290	161,397
50 - 54	125,673	3,733	662	4,767	134,835
55 - 59	102,123	2,619	547	2,761	108,050
60 - 64	73,787	1,764	437	1,934	77,922
65 - 69	48,022	1,081	284	1,163	50,550
70 - 74	33,550	748	201	908	35,407
75 - 79	19,263	393	142	411	20,209
80 - 84	11,895	254	81	232	12,462
85+	9,397	210	57	410	10,074
Total	2,492,198	132,863	21,731	85,813	2,732,605

Source: Census 2011 (Stats SA, 2013b)

Tenure status

Of the 592 298 households that did reside on farms in *Farm areas* at the time of the 2011 census, 44.9 per cent occupied their homes rent-free, 26.4 per cent rented their homes, 6.1 per cent owned their homes (fully paid-off) and 5.2 per cent owned their homes (not yet paid off) (Stats SA, 2013b). It is unfortunately not possible to disaggregate these statistics by households of farm owners, farm workers and other farm dwellers. These statistics suggest that in the majority of farm dwellers had relatively precarious tenure, however, the relatively low proportion that pay rent for accommodation suggests that in 2011 a large proportion of farms provided accommodation to their employees rent-free.

Employment Status

According to Stats SA (2013b), 882 912 people of the 2.078 million people who resided on farms in *Farm areas* were employed, 100 117 were unemployed, 51 196 were classified as discouraged work seekers and 413 014 were not economically active (Table 5). Of the 882 912 employed people in the Farm area population, 64.8 per cent are Black Africans, 19.9 per cent are Coloured, 0.4 per cent are Indian or Asian, and 14.4 per cent are Whites. The 2011 Census statistics available to the author do not indicate how many of these people were employed on farms. These statistics understate the extent of unemployment in rural regions of South Africa because many farm workers reside in Traditional or Tribal areas or Urban areas during times of unemployment.

Education

Table 1.3 reports education levels of people living in farm areas by their official employment status, excluding people who are not economically active or not of working age. The modal level of education for each of employed, unemployed and discouraged work seekers is Grade 12. However, for all three categories, however, 41.4 per cent of employed people, 35.4 per cent of unemployed people and 40.2 per cent of discouraged work seekers do not have formal education beyond Grade 5. Furthermore, only 8.7 per cent of employed people, 3.1 percent of unemployed people, and 1.9 percent of discouraged work seekers have formal education beyond Grade 12.

These statistics show, firstly, that the economically active farm area population has a relatively low average level of formal education, and, secondly, that relatively less educated people are employed in farm areas. Furthermore, relatively few economically active people in farm areas who have education beyond Grade 12 are unemployed or discouraged work seekers.

Incomes

Excluding employed people who earn no income (typically business owners and family members working in those businesses) and those who did not specify their incomes, 65.1 per cent of employed Farm dwellers earned R1 600 or less per month, and a further 17.2 per cent earned between R16 001 and R3 200 per month in 2011. However, 2.5 per cent earned more than R25 600 per month. To place these figures in context, the minimum wage in the agricultural sector from March 2011 to February 2012 was R7.04 per hour, which equates to R1375.94 per month for a full time employee working 45 hours per week. Eighty four per cent of unemployed people and discouraged work-seekers reported having no income (Stats SA, 2013b).

Demographics of farm workers

The Quarterly Labour Forces Survey (QLFS) conducted by Stats SA provides the official estimates of employment in the South African economy on a quarterly basis. This section reports recent trends in

employment on farms and the working conditions of farm workers using data from the QLFS. Its purpose is to establish some of what is already known and to identify issues for further investigation in the case study analyses.

Table 1.3. Education levels of people living in *Farm areas* by official employment status, 2011.

Highest educational level	Official employment status		
	Employed	Unemployed	Discouraged work-seeker
No schooling	11.6%	8.7%	10.6%
Grade 0	0.5%	0.5%	0.4%
Grade 1 / Sub A	1.5%	1.2%	1.2%
Grade 2 / Sub B	2.1%	1.7%	1.9%
Grade 3 / Std 1/ABET 1Kha Ri Gude;SANLI	3.1%	2.4%	2.7%
Grade 4 / Std 2	4.2%	3.6%	4.2%
Grade 5 / Std 3/ABET 2	4.7%	4.3%	4.5%
Grade 6 / Std 4	5.3%	5.0%	5.9%
Grade 7 / Std 5/ ABET 3	8.4%	8.0%	8.8%
Grade 8 / Std 6/ Form 1	8.7%	9.5%	9.5%
Grade 9 / Std 7/ Form 2/ ABET 4	7.6%	9.5%	9.6%
Grade 10 / Std 8 / Form 3	8.9%	11.5%	11.2%
Grade 11 / Std 9 / Form 4	7.6%	10.9%	10.0%
Grade 12 / Std 10 / Form 5	17.1%	20.1%	17.5%
NTC I / N1/ NIC/ V Level 2	0.1%	0.1%	0.1%
NTC II / N2/ NIC/ V Level 3	0.2%	0.1%	0.1%
NTC III /N3/ NIC/ V Level 4	0.3%	0.1%	0.1%
N4 / NTC 4	0.2%	0.1%	0.1%
N5 /NTC 5	0.1%	0.1%	0.0%
N6 / NTC 6	0.2%	0.1%	0.1%
Certificate with less than Grade 12 / Std 10	0.1%	0.1%	0.1%
Diploma with less than Grade 12 / Std 10	0.2%	0.1%	0.0%
Certificate with Grade 12 / Std 10	0.7%	0.5%	0.4%
Diploma with Grade 12 / Std 10	1.6%	0.6%	0.3%
Higher Diploma	1.7%	0.5%	0.2%
Post Higher Diploma Masters; Doctoral Diploma	0.3%	0.1%	0.0%
Bachelors Degree	1.3%	0.3%	0.2%
Bachelors Degree and Post graduate Diploma	0.5%	0.1%	0.1%
Honours degree	0.6%	0.1%	0.0%
Higher Degree Masters / PhD	0.4%	0.1%	0.1%
Other	0.2%	0.1%	0.1%
Total	100.0%	100.0%	100.0%

Source: Census 2011 (Stats SA, 2013).

According to the Quarterly Labour Force Survey (QLFS)(Stats SA, 2014), 696 288 worked in agriculture, hunting, forestry and fishing in South Africa in the third quarter of 2014. The list of occupations of those people shown in Table 4 is diverse, ranging from highly skilled occupations (e.g., senior managers, technical professionals and skilled agricultural workers), to semi-skilled

occupations (e.g., drivers and machine operators, to relatively low skilled or elementary occupations (e.g., labourers and hand-packers). Clearly, some of these occupations are unlikely to entail farm work. Moreover, only 93.3 per cent of those people are classified as employees (i.e., working for someone else for pay).

Table 1.4 is dominated by “farmhands and labourers” (65.7% of the total) and “motorised farm and forestry plant operators” (6.5% of the total), both of which are likely to entail on-farm work. Tables 5 and 6 show that some jobs in these two occupations are not allocated to agricultural industries. For example, private households account for 24.2 per cent of farmhands and labourers, and of the 609 807 farmhands and labourers working in the formal and informal sectors, 25.0 per cent are allocated to other industries such as “Community, social and personal services” and “Financial intermediation, insurance, real estate and business services”. Likewise, 14.1 per cent of the 52 759 motorised farm and forestry plant operators are allocated to non-agricultural industries, such as “Wholesale and retail trade”.

Table 1.4: Employment in agriculture, hunting, forestry and fishing in the South African economy by occupation, 3rd Quarter of 2014

Occupation	Workers	Occupation	Workers
Farmhands and labourers	457190	Statistical finance clerks	1071
Motorised farm and forestry plant operators	45311	Directors and chief executives	1033
General managers in agriculture; hunting; forestry and fishing	22908	Cashiers and ticket clerks	981
Hand-packers and other manufacturing labourers	22474	Bookkeepers	929
Tree and shrub crop growers (farm owners and skilled farm workers)	15894	General managers of business services	865
Forestry labourers	12689	Incinerator; water-treatment and related plant operators	857
Dairy and livestock producers (farm owners and skilled farm workers)	12288	Production & operations managers/department managers in agriculture; hunting; forestry; fishing & mining	814
Field crop and vegetable growers (farm owners and skilled farm workers)	9892	Building structure cleaners (including apprentices/trainees)	802
Subsistence farmers	8880	Weavers; knitters and related workers (including apprentices/trainees)	702
Gardeners; horticultural and nursery growers (farm owners and skilled farm workers)	8293	Housekeepers and related workers	672
Forestry workers and loggers; Forestry workers and Loggers	7948	Machine-tool operators	657
Inland and coastal waters fishery workers	5483	Agricultural or industrial machinery mechanics and fitters (including apprentices/trainees)	610
Heavy truck and lorry drivers	5344	Stock clerks	590
Safety; health and quality inspectors; Inspectors; safety and health	3839	Meat and fish-processing machine operators	552
Car; taxi and van drivers	3594	Other craft and related trades workers not elsewhere classified (including apprentices/trainees)	541
Protective services workers not elsewhere classified; Rangers and game wardens	3058	Construction and maintenance labourers: roads; dams and similar constructions	540
Agronomists; food scientists and related professionals; Agriculture; forestry and food scientists; Natural sciences technologists	2989	Production and operations managers/department managers in building and construction	527
Other office clerks and clerks not elsewhere classified (except customer services clerks)	2590	Lifting-truck operators	516
Market-oriented crop and animal producers (farm owners and skilled farm workers)	2571	Technical and commercial sales representatives	497
Elementary sales and services occupations not elsewhere classified	2449	Apiarists and sericulturists (farm owners and skilled farm workers)	444
Sanitarians	2437	Computing services managers/department managers	433
Helpers and cleaners in offices; hotels and other establishments	2355	Production and operations managers/department managers in manufacturing	403
Mixed crop growers (farm owners and skilled farm workers)	1831	Cabinetmakers and related workers (including apprentices/trainees)	393
Butchers; fishmongers and related food preparers (including apprentices/trainees)	1799	Coding; proof-reading and related clerks	385
Finance and administration managers/department managers	1788	Shop salespersons and demonstrators; Salespersons; Petrol pump and filling station attendants	384
Motor vehicle mechanics and fitters (including apprentices/trainees)	1769	Food and beverage tasters and graders (including apprentices/trainees)	382
Ships' deck crews and related workers	1741	Computer programmers	376
Domestic helpers and cleaners	1588	Deep-sea fishery workers	369
Building construction labourers	1505	Ships' deck officers and pilots	364
Fire-fighters	1315	Pre-primary education teaching associate professionals	270
Wood-processing plant operators	1309	Aquatic life cultivation workers	255
Earth-moving and related plant operators	1274	Market-oriented animal producers & related workers not elsewhere classified	231
Freight handlers	1251	Art; entertainment and sport associate professionals not elsewhere classified	201
		Total number of workers	696288

Source: QLFS 2014 Q3 (Stats SA, 2014).

Table 1.5: Employment of “farmhands and labourers” in the South African economy by sector and main industry category, 3rd Quarter of 2014.

Industry	Formal sector	Informal sector	Private households	Total
Agriculture, hunting, forestry and fishing	377,513	79,676	-	457,190
Mining and quarrying	395	-	-	395
Manufacturing	6,272	1,559	-	7,830
Electricity, gas and water supply	2,671	-	-	2,671
Construction	-	532	-	532
Wholesale and retail trade	13,564	4,272	-	17,836
Transport, storage and communication	1,141	-	-	1,141
Financial intermediation, insurance, real estate and business services	27,522	14,520	-	42,043
Community, social and personal services	72,132	8,037	-	80,168
Private households	-	-	194,457	194,457
Total	501,210	108,597	194,457	804,263

Source: QLFS 2014 Q3 (Stats SA, 2014).

Table 1.6: Employment of “Motorised farm and forestry plant operators” in the South African economy by sector and main industry category, 3rd Quarter of 2014.

Industry	Formal sector	Informal sector	Private households	Total
Agriculture, hunting, forestry and fishing	44,485	826	-	45,311
Mining and quarrying	-	-	-	-
Manufacturing	639	-	-	639
Electricity, gas and water supply	-	-	-	-
Construction	-	-	-	-
Wholesale and retail trade	279	3,034	-	3,314
Transport, storage and communication	637	619	-	1,256
Financial intermediation, insurance, real estate and business services	-	-	-	-
Community, social and personal services	2,239	-	-	2,239
Private households	-	-	-	-
Total	48,279	4,480	-	52,759

Source: QLFS 2014 Q3 (Stats SA, 2014).

For the purposes of this analysis farm workers are considered to be people who meet the following criteria;

- The person is working in an agricultural industry.
- The person is working in the formal sector;
- the occupations typically entail elementary or semi-skilled farm work
- The person is an employee;

Furthermore, the occupation category “farmhands and labourers” is considered, for the most part, to be representative of farm workers in elementary occupations, and “motorised farm and forestry plant operators” is considered, for the most part, to be representative of farm workers in semi-skilled occupations. The estimated numbers of “farmhands and labourers” and “motorised farm and forestry plant operators” that met the above criteria in the third quarter of 2014 are 376 151 and 44 485, respectively (Stats SA, 2014) (Table 1.7).

Table 1.7: Formal sector employment of Motorised farm and forestry plant operators and Farmhands and labourers in Agriculture, Forestry and Fisheries by employment category

Occupation	Working for someone else for pay	An employer (employing one or more employees)	Own account worker (not employing any employees)	Helping without pay in a household business	Total
Motorised farm and forestry plant operators	44485	-	-	-	44485
Farmhands and labourers	376151	392	-	970	377513
Total	515044	25457	477	1247	542224

Employment in the Agricultural sector by province and by sub-industry

Table 1.8 reports the geographical distribution of formal sector employment of motorized farm and forestry plant operators and farmhands and labourers in agriculture in South Africa in the third quarter of 2013 by population group and gender (Stats SA, 2013c). The Free State and KwaZulu-Natal accounted for 59 per cent of motorized farm and forestry plant operators, whereas only 5.8 per cent are accounted for by the Western, Eastern and Northern Cape provinces. The Western Cape accounted for 24.7 per cent of farmhands and labourers, followed by Limpopo (17.1%), Mpumalanga (12.7%), KwaZulu-Natal (10.6%), the Eastern Cape (10.2%), Gauteng (6.6%), the North West Province (6.2%), Northern Cape (6.2%), and the Free State (5.7%). On aggregate, women account for a mere 3.5 per cent of motorized farm and forestry plant operators (all of who are in KwaZulu-Natal) and 37.2 per cent of farmhands and labourers. Male farmhands and labourers outnumber women in all provinces except Limpopo (57% women), and the gender imbalance is most pronounced in Gauteng (12.6% women), the Northern Cape (18.5%), the North West Province (19.8%), and the Free State (24.0%).

Table 1.9 provides estimates of formal sector employment of motorised farm and forestry plant operators and farmhands and labourers in agriculture by province and main industry for the 3rd Quarter of 2014. Not surprisingly, the majority of motorised farm and forestry plant operators are employed in the growing of crops (including field crops, fruit and vegetables) and in mixed farming operations. Growing of crops accounts for 70 per cent of farmhands and labourers, with another seven per cent accounted for by mixed farming. Farming of animals accounted for less than 22 per cent of farmhands and labourers and 14.9 per cent of motorised farm and forestry plant operators.

Table 1.8: Formal sector employment of Motorised farm and forestry plant operators and Farmhands and labourers in the Agriculture, Forestry and Fisheries industry group by province, population group and gender, 3rd Quarter of 2014

			Western Cape	Eastern Cape	Northern Cape	Free State	KwaZulu-Natal	North West	Gauteng	Mpumalanga	Limpopo	Total
Motorised farm and forestry plant operators	Population group	African/Black	-	1470	883	13361	12739	6105	-	6518	2277	43354
		Coloured	428	-	149	-	-	381	-	-	-	959
		Indian/Asian	-	-	-	-	-	-	-	-	-	-
		White	-	-	-	172	-	-	-	-	-	172
	Gender	Male	428	1470	1033	13534	11183	6486	-	6518	2277	42928
	Female	-	-	-	-	1556	-	-	-	-	1556	
	Total		428	1470	1033	13534	12739	6486	-	6518	2277	44485
Farmhands and labourers	Population group	African/Black	9950	25059	8221	21326	40051	23440	24926	47664	64504	265140
		Coloured	80659	11242	13704	-	-	-	-	-	-	105605
		Indian/Asian	-	-	-	-	-	-	-	-	-	-
		White	2122	2064	1220	-	-	-	-	-	-	5406
	Gender	Male	52693	24988	18873	16199	24772	18805	21776	30565	27491	236161
	Female	40037	13376	4272	5127	15280	4635	3151	17099	37012	139990	
	Total		92731	38365	23145	21326	40051	23440	24926	47664	64504	376151

Table 1.9: Formal sector employment of Motorised farm and forestry plant operators and Farmhands and labourers in the Agriculture, Forestry and Fisheries industry group by province and main industry, 3rd Quarter of 2014

	Main industry	Western Cape	Eastern Cape	Northern Cape	Free State	KwaZulu-Natal	North West	Gauteng	Mpumalanga	Limpopo	Total
Motorised farm and forestry plant operators	Growing of crops	428	660	727	2,506	8,447	3,734	-	4,766	2,277	23,545
	Farming of animals	-	809	-	1,950	2,937	936	-	-	-	6,633
	Growing of crops combined with farming of animals(mixed farming)	-	-	306	9,078	650	1,212	-	1,752	-	12,997
	Game hunting; trapping and game propagation; including related services	-	-	-	-	-	604	-	-	-	604
	Total	428	1,470	1,033	13,534	12,739	6,486	-	6,518	2,277	44,485
Farmhands and labourers	Growing of crops	82,133	23,821	16,313	7,751	21,860	7,385	7,200	37,216	59,711	263,391
	Farming of animals	7,546	13,983	6,006	5,269	12,590	9,830	17,726	4,604	2,893	80,447
	Growing of crops combined with farming of animals(mixed farming)	1,671	561	826	8,306	3,353	4,802	-	5,645	1,294	26,457
	Game hunting; trapping and game propagation; including related services	-	-	-	-	-	1,034	-	-	-	1,034
	Forestry and related services	-	-	-	-	2,248	390	-	199	606	3,442
	Ocean and coastal fishing	1,380	-	-	-	-	-	-	-	-	1,380
	Total	92,731	38,365	23,145	21,326	40,051	23,440	24,926	47,664	64,504	376,151

Recent trends in employment on farms

The secular decline in employment on commercial farms has been well documented⁴. Absolute numbers of both permanent and seasonal/casual workers declined, however permanent employment decreased relative to seasonal/casual employment (Aliber, *et al.*, 2007; Sparrow, *et al.*, 2005). Aliber, *et al.* (2007) argue that this pattern of job shedding in commercial agriculture fits the stereotype of developed countries, but also points out that employment has declined as the “perceived” real costs of labour⁵ have increased and that increased provision of social grants may have increased reservation wages in agriculture because rural households have become less dependent on agriculture for their livelihoods. According to Stanwix (2013), aggregate employment on farms declined by about 13 per cent in the four years after the introduction of a statutory minimum wage in 2003.

Figures 1.1 and 1.2 show trends in the respective numbers of farmhands and labourers and plant and machine operators and assemblers in the formal sector of the agricultural industry by province from the first quarter of 2008 to the 3rd quarter of 2014. On aggregate, employment in both occupations experienced a dip from mid-2009 to early-2011. From mid-2011 to early 2013 employment increased to exceed employment levels of 2008. From mid-2013 to present employment in both occupations tended to decline. Employment of farmhands and labourers in the 3rd quarter of 2014 was only marginally higher than it was in the first and second quarters of 2011. Employment of plant and machine operators and assemblers was still well above its low of the first quarter of 2011, but was, nonetheless, significantly lower than its peak levels of early 2013. These trends suggest that aggregate employment of elementary workers on farms declined following a substantial upward revision of the minimum wage in February 2013.

Importantly, employment trends vary significantly by province, which most likely reflects that employment trends differ by commodity and the ease of mechanisation. Whereas employment of farmhands and labourers has, on average, declined from 2008 to 2014 in KwaZulu-Natal, the Free State, the North West Province and the Western Cape, employment has tended to increase in Limpopo Province, especially, as well as Mpumalanga. Employment of plant and machine operators and assemblers has tended to increase in KwaZulu-Natal, Limpopo Province and Mpumalanga; whilst it has tended to decrease in the Free State, the Western Cape and the Northern Cape. It is notable that even Limpopo Province and Mpumalanga, which demonstrated strong growth in on-farm employment from 2011 to 2012, experienced a decline in on-farm employment following the March 2013 increase in minimum wages in the sector.

⁴According to Meyer, *et al.* (2013), agricultural employment in South Africa peaked at about 1.8 million in 1959, but it has since decreased steadily. Aliber, *et al.* (2007) noted that from 1971 to 2002 the number of employees in the sector declined from 1.516 million to 0.941 million (a decline of 37.9%). According to Liebenberg (2012) employment in the sector declined from 1.25 million in 1990 to 0.83 million in 2010.

⁵ Aliber, *et al.* (2007) explained that costs of labour may be perceived as being high relative to historic costs. Sparrow, *et al.* (2005) point out that costs of labour include transactions costs and perceived risks associated with employment, including expectations of changes to relevant policies; consequently costs of labour may exceed wage costs.

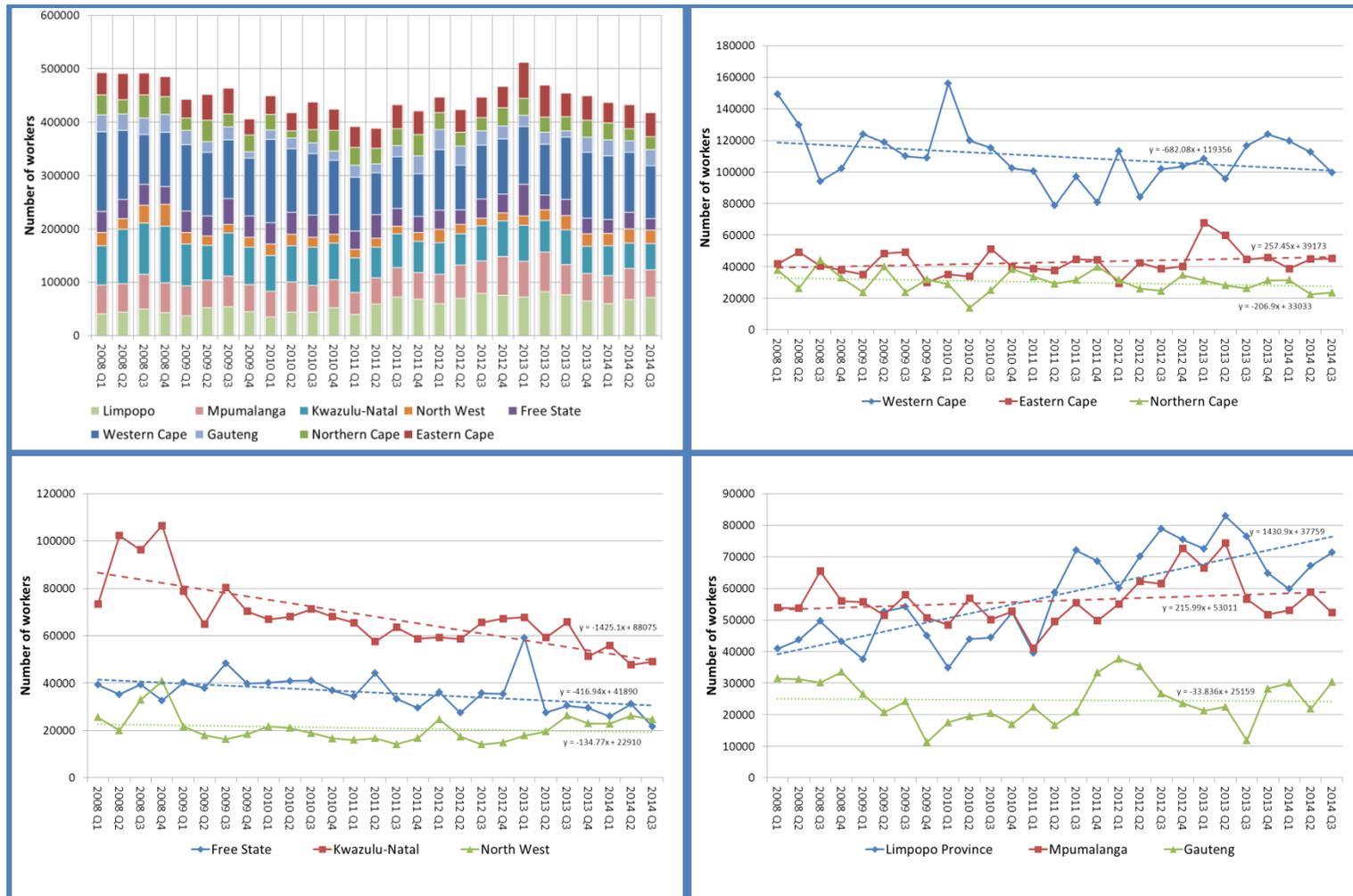


Figure 1.1: Employment of farmhands and labourers in the formal sector of the agricultural industry by province, 2008-2014

Source: QLFS 2014 Q3 (Stats SA, 2014).

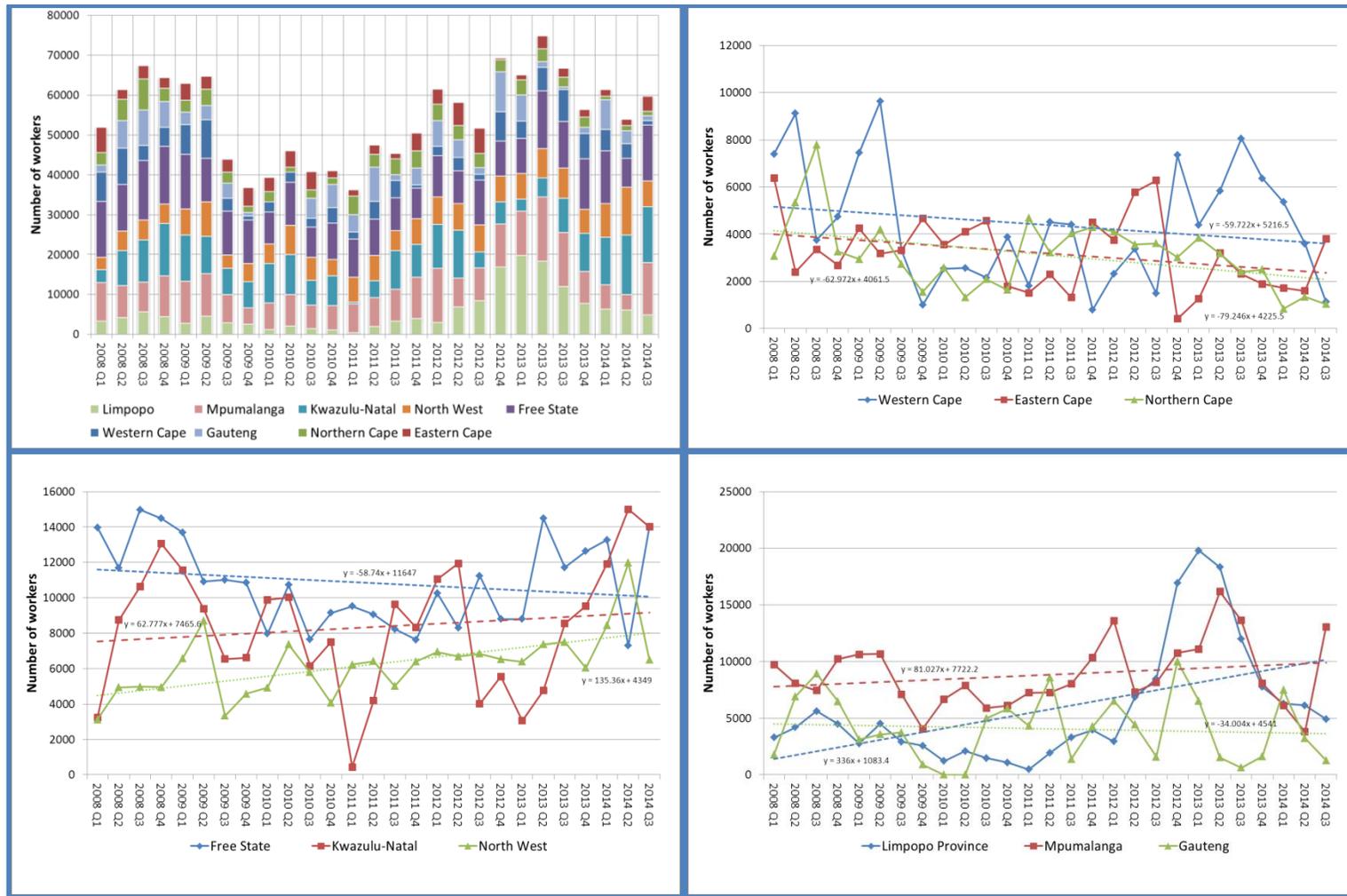


Figure 1.2: Employment of plant and machine operators and assemblers in the formal sector of the agricultural industry by province, 2008-2014

Source: QLFS 2014 Q3 (Stats SA, 2014).

It is not an objective of this chapter to identify the determinants of trends in farm worker employment or to explain why they have varied significantly by province. Explanations are likely to be found in changes in land use patterns; input substitution in response to changing relative costs of inputs and technological developments; and investment patterns in agriculture by province.

Working conditions of farm workers as at the 3rd Quarter of 2014

Aspects of working conditions that are quantified by the QLFS include;

- Work status (i.e., whether employment is of a permanent nature, a limited duration, and an unspecified duration), which is an element of job formality, and hence job security;
- The nature of employment (formal vs. informal employment);
- The nature of employment contracts (written vs. verbal);
- The provision of paid vacation leave;
- The provision of paid sick leave;
- Whether or not workers are entitled to maternity or paternity leave;
- Whether or not UIF is deducted from the worker’s remuneration;
- Whether or not the worker receives a contribution to a pension or retirement fund; and
- Whether or not the worker receives a contribution towards medical aid or health insurance.

The QLFS also provides information on trade union representation amongst workers and the frequency of various modes of negotiating salary increments.

Work status

Work status is a dimension of job security. Table 1.9 reports the work status and gender of farmhands and labourers working for someone else for pay in the formal sector in the Agricultural, hunting, forestry and fishing industries. Just over half (51.1%) of the workers had employment of a permanent nature, and a quarter (25.2%) had employment of limited duration. The remaining 23.6 per cent had employment of unspecified duration. Women, who comprise 37.2 per cent of the workers, are less likely to have employment of a permanent nature than are men (43.8% for women vs. 55.5% for men). Nearly 36 per cent of women have employment of limited duration, vs. 18.9 per cent for men.

Table 1.9: Farmhands and labourers working for someone else for pay in the formal sector in the Agricultural, hunting, forestry and fishing industries by work status and gender, 3rd Quarter of 2014

Work status	Male	Female	Total
Limited duration	44,750	50,361	95,112
Permanent nature	130,973	61,281	192,254
Unspecified duration	60,438	28,347	88,785
Total	236,161	139,990	376,151

Source: QLFS 2014 Q3 (Stats SA, 2014).

A break-down of work status of people paid to work for someone else in other occupations in agricultural industries in the formal sector (Table 1.10) indicates that jobs in relatively more skilled occupations, such as truck and lorry drivers and motorized farm and forestry plant operators, are

more likely to be permanent in nature than jobs in relatively less skilled occupations such as farmhands and labourers, forestry labourers, and hand-packers and other manufacturing labourers.

Table 1.10: The work status of people working for someone else for pay in various occupations the formal sector in the Agricultural, hunting, forestry and fishing industries, 3rd Quarter of 2014

Occupation	Work Status			Total
	Limited duration	Permanent nature	Unspecified duration	
Heavy truck and lorry drivers	0	4,981	246	5,227
Motorised farm and forestry plant operators	2,867	34,123	7,495	44,485
Farmhands and labourers	95,112	192,254	88,785	376,151
Forestry labourers	2,646	5,604	3,378	11,628
Hand-packers and other manufacturing labourers	6,032	10,086	5,156	21,275
Total	106,657	247,049	105,059	458,765

Source: QLFS 2014 Q3 (Stats SA, 2014).

Formal vs. Informal Employment

The matter of employment being described as formal or informal is, in part, dependent on the employee having a written employment contract⁶. According to the QLFS 2014 Q3, 292 234 of the 376 151 farmhands and labourers are formally employed and 83 917 are informally employed. Whereas 99.3 per cent of those described as being formally employed have written employment contracts, none of the informally employed works have written employment contracts. Table 1.11 shows that there is relationship between work status and the contractual nature of the employment contract. Over 92 per cent of workers with employment of a permanent nature have written employment contracts. However, only 80.8 per cent of workers with employment of limited duration have written employment contracts and a mere 40 per cent of workers with employment on unspecified duration have written employment contracts. This result is not surprising as written employment contracts generally specify the nature and duration of the contract. In general, women are more likely to have written employment contracts than are men (82.0% vs. 74.2%). Somewhat surprisingly, motorized farm and forestry plant operators are less likely to have written employment contracts than are farmhands and labourers (72.7% vs 77.1%).

⁶ Informal employment is defined as including all persons age 15 years and older who are employed and (a) work in private households and who are helping unpaid in a household business; or (b) Work for someone else for pay but are not entitled to basic benefits from their employer such as a pension or medical aid and has no written contract; or (c) work in the informal sector.

Table 1.11: The percentage of farmhands and labourers working for someone else for pay in the formal sector in the Agricultural, hunting, forestry and fishing industries who have written employment contracts by work status and gender, 3rd Quarter of 2014

Work status	Male	Female	Total
Limited duration	76.2%	84.8%	80.8%
Permanent nature	89.3%	99.3%	92.5%
Unspecified duration	40.1%	39.8%	40.0%
Total	74.2%	82.0%	77.1%

Source: QLFS 2014 Q3 (Stats SA, 2014).

Table 1.12 details the results of a regression analysis applied to the Labour Market Dynamics in South Africa (LMDSA⁷). The quantitative analysis used the datasets for 2011, 2012 and 2013 and examined only semi-skilled operators of motorized farm machinery and unskilled labourers (farmhands and drivers of animal-drawn vehicles and machinery) who are defined as being employed within the agriculture industry. These simple regressions aimed to ascertain the correlates of the probability of formal employment using a standard linear probability model. The outcome of interest (dependent variable) in this case is a binary variable equal to one for formal employment and zero for informal employment. Note that employees in private households who are helping unpaid in household businesses are necessarily excluded from the subsample. Therefore, informal employment status is predominantly determined by the absence of basic benefits, with roughly 95 per cent of those cases being due to the absence of a written contract in each year.

Interpreting the results of these linear probability model regressions is relatively simple given that the coefficients represent changes in the probability of observing a formally employed farmworker given unit changes in the independent variables. The age and age squared coefficients need to be interpreted together. They indicate that the expected probability of being formally employed increased with age at a decreasing rate until the turning point is reached. The turning points for 2011, 2012 and 2013 can be estimated at 40.8, 33.3 and 37.45 years of age respectively.

The gender coefficient is also statistically significant for each regression. It suggests that female farmworkers, everything else equal, are estimated as being 4.5 per cent, 10.6 per cent and 10.4 per cent more likely to be formally employed than males for 2011, 2012 and 2013 respectively. The population group dummies, with black farmworkers as the baseline, suggest that the probability of formal employment is higher for coloured (roughly 10%) and white farmworkers (roughly 50%) in 2011. For the other two years the coefficients on population group are not statistically significant. In all three regressions semi-skilled workers (that is, semi-skilled operators of motorized farm machinery) are estimated as being roughly 6.5 per cent, 13.5 per cent and 6.2 per cent more likely to be formally employed in each year. The provincial dummy variables are against the baseline of the Western Cape, and all of the estimated coefficients suggest that farmworkers in other provinces are less likely to be formally employed than their Western Cape counterparts. Most notably, farmworkers in North West are estimated as being 50 per cent less likely to be formally employed

⁷ The Labour Market Dynamics in South Africa (LMDSA) dataset takes editions of the Quarterly Labour Force Survey (QLFS) datasets for the four quarters of each year and pools them together to form an annual dataset. This dataset, unlike the QLFS, contains information on individual monthly incomes

than farmworkers in the Western Cape over all three years. Dummies were also included for each quarter, most of which were not statistically significant. The exception to this occurs in 2011, in which the 2nd and 4th quarter dummies yield positive, statistically significant coefficients. This suggests that in the 2nd and 4th quarter of 2011 farmworkers were roughly 6 per cent and 8 per cent more likely to be formally employed respectively.

Table 1.12: Formal Employment as Dependent Variable

Variables	2011	2012	2013
Age	0.0204*** (0.00503)	0.0116** (0.00497)	0.0230*** (0.00440)
Age Squared	-0.000250*** (6.37e-05)	-0.000174*** (6.26e-05)	-0.000307*** (5.52e-05)
Female	0.0445** (0.0191)	0.106*** (0.0182)	0.104*** (0.0176)
Coloured	0.0966*** (0.0336)	-0.0268 (0.0308)	0.0102 (0.0288)
White	0.565*** (0.135)	0.120 (0.120)	0.0885 (0.114)
Semi-Skilled	0.0664** (0.0331)	0.135*** (0.0298)	0.0619** (0.0279)
Eastern Cape	-0.221*** (0.0390)	-0.332*** (0.0375)	-0.188*** (0.0324)
Northern Cape	-0.213*** (0.0390)	-0.305*** (0.0384)	-0.387*** (0.0392)
Free State	-0.263*** (0.0428)	-0.327*** (0.0384)	-0.298*** (0.0372)
KwaZulu-Natal	-0.129*** (0.0414)	-0.284*** (0.0372)	-0.268*** (0.0373)
North West	-0.446*** (0.0507)	-0.542*** (0.0459)	-0.485*** (0.0442)
Gauteng	-0.162*** (0.0503)	-0.312*** (0.0432)	-0.243*** (0.0471)
Mpumalanga	-0.165*** (0.0411)	-0.240*** (0.0360)	-0.269*** (0.0351)
Limpopo	-0.156*** (0.0408)	-0.288*** (0.0350)	-0.268*** (0.0340)
2 nd Quarter	0.0609** (0.0249)	0.0300 (0.0237)	-0.00789 (0.0223)
3 rd Quarter	0.0211 (0.0243)	0.0237 (0.0235)	-0.0297 (0.0224)
4 th Quarter	0.0815*** (0.0245)	0.0366 (0.0231)	-0.00534 (0.0224)
Constant	0.261** (0.101)	0.604*** (0.0985)	0.429*** (0.0886)
Observations	3,065	3,201	3,381
R-squared	0.083	0.092	0.102

Standard errors in parentheses

*** p<0.01, ** p<0.05, * p<0.1

Hours worked

Table 1.13 reports the frequency of hours usually worked by (a) motorised farm and forestry plant operators, (b) male farmhands and labourers, and (c) female farmhands and labourers in agricultural industries the formal sector according to the QLFS of the third quarter of 2014. It is apparent that at a national level the modal range of hours usually worked by male and female farmhands was 41 to 45 hours per week (41% and 47%, respectively), followed by 36 to 40 hours per week (25% and 23%, respectively), and 46 to 50 hours per week (14% and 13%, respectively). On average, women usually work fewer hours than men, with 22 per cent of women and 30 per cent of men usually working more than 45 hours per week. For motorized farm and forestry plant operators, at a national level the modal range of working hours was 46 to 50 hours per week (34%), then 41 to 45 hours per week (33%), and 36 to 40 hours per week (18%). Forty-nine per cent of motorized farm and forestry plant operators usually work 46 or more hours per week.

The distribution of usual working hours varies considerably across the nine provinces. Whereas the modal range of hours usually worked was 41 to 45 hours per week in the Western Cape (100% of motorized farm and forestry plant operators, 79% of male farmhands and 85% of female farmhands), the Northern Cape (100%, 62% and 59%), the Eastern Cape (100%, 44% and 50%), in KwaZulu-Natal and Gauteng the range of hours usually worked was 36 to 40 hours per week, and in Limpopo Province it is 46 to 50 hours per week. In Limpopo, Mpumalanga, the North West Province and the Free State, more than 50 per cent of motorized farm and forestry plant operators usually work more than 45 hours per week, whereas, in the Western Cape, Eastern Cape and the Northern Cape, all motorized farm and forestry plant operators usually work 45 or fewer hours per week.

Table 1.13: average hours usually worked by farmhands and labourers (by gender) and by motorized farm and forestry plant operators employed in the formal sector in Agriculture, Forestry and Fisheries, 3rd Quarter of 2014.

	Hours usually worked	Western Cape	Eastern Cape	Northern Cape	Free State	KwaZulu-Natal	North West	Gauteng	Mpumalanga	Limpopo	Total
Motorised farm and forestry plant operators	36 to 40	0%	0%	0%	9%	38%	0%	N/A	24%	21%	18%
	41 to 45	100%	100%	100%	32%	40%	20%	N/A	6%	23%	33%
	46 to 50	0%	0%	0%	41%	22%	32%	N/A	54%	56%	34%
	51 to 55	0%	0%	0%	3%	0%	16%	N/A	8%	0%	5%
	56 to 60	0%	0%	0%	7%	0%	31%	N/A	8%	0%	8%
	> 60	0%	0%	0%	8%	0%	0%	N/A	0%	0%	3%
Male farmhands and labourers	<= 30	1%	6%	2%	5%	3%	3%	0%	4%	0%	3%
	31 to 35	0%	6%	0%	0%	2%	0%	0%	2%	3%	2%
	36 to 40	12%	20%	23%	15%	29%	41%	44%	40%	14%	25%
	41 to 45	79%	44%	62%	45%	36%	9%	28%	20%	11%	41%
	46 to 50	2%	18%	7%	13%	7%	23%	5%	21%	39%	14%
	51 to 55	6%	5%	0%	4%	8%	13%	0%	3%	12%	6%
	56 to 60	0%	1%	4%	11%	10%	8%	23%	9%	18%	8%
	>60	0%	0%	2%	5%	4%	4%	0%	0%	2%	2%
Female farmhands and labourers	<= 30	2%	16%	0%	23%	16%	0%	18%	4%	2%	6%
	31 to 35	0%	6%	0%	0%	7%	8%	0%	2%	0%	2%
	36 to 40	10%	17%	20%	22%	56%	15%	47%	19%	28%	23%
	41 to 45	85%	50%	59%	45%	21%	47%	12%	48%	17%	47%
	46 to 50	2%	7%	21%	0%	0%	0%	0%	12%	38%	13%
	51 to 55	1%	4%	0%	0%	0%	29%	23%	7%	5%	4%
	56 to 60	0%	0%	0%	0%	0%	0%	0%	7%	9%	3%
	> 60	0%	0%	0%	10%	0%	0%	0%	0%	2%	1%

Source: QLFS of 2014 Q3 (Stats SA, 2014)

Paid vacation leave

Findings of the QLFS 2014 Q3 reported in Table 1.14 indicate that only 46.4 per cent of farmhands and labourers were entitled to paid vacation leave, however, the incidence ranged from 75.2 per cent for workers with employment of a permanent nature to approximately 15 per cent for workers with employment of a limited or unspecified duration. Provision of paid vacation leave for farmhands and labourers was most prevalent in the Western Cape, the Free State, the Eastern Cape and KwaZulu-Natal, and least prevalent in the Northern Cape, Mpumalanga, and the North West Province. Provision of paid sick leave was not obviously biased by gender. The proportion of farmhands and labourers that received paid vacation leave was similar to the proportion of motorised farm and forestry plant operators, hand-packers and other manufacturing labourers, and forestry labourers that received the benefit (46.0%, 46.7% and 50.1%, respectively).

Table 1.14: The proportion of farmhands and labourers working for someone else for pay in the formal sector in the Agricultural, hunting, forestry and fishing industries that are entitled to paid vacation leave by province and gender, 3rd Quarter of 2014.

Province	Work Status			Total
	Limited duration	Permanent nature	Unspecified duration	
Western Cape	14.6%	91.8%	9.4%	66.7%
Eastern Cape	16.0%	76.2%	46.1%	53.7%
Northern Cape	0.0%	51.2%	13.6%	19.7%
Free State	52.1%	81.0%	26.5%	57.8%
KwaZulu-Natal	26.1%	76.0%	22.2%	53.2%
North West	0.0%	42.1%	19.1%	28.7%
Gauteng	58.2%	49.9%	39.1%	49.1%
Mpumalanga	0.0%	66.8%	2.1%	26.9%
Limpopo	15.1%	81.7%	16.6%	34.4%
Male	17.8%	70.1%	19.7%	47.3%
Female	12.0%	86.1%	14.1%	44.9%
Total	14.7%	75.2%	18.0%	46.4%

Source: QLFS 2014 Q3 (Stats SA, 2014).

Paid Sick Leave

Findings of the analysis of the QLFS 2014 Q3 reported in Table 1.15 indicate that only 35 per cent of farmhands and labourers were entitled to paid sick leave, however, the incidence ranged from 58.7 per cent for workers with employment of a permanent nature to approximately 10 per cent for workers with employment of a limited or unspecified duration. Provision of sick leave for farmhands and labourers was most prevalent in Gauteng, the Western Cape and KwaZulu-Natal, and least prevalent in the Northern Cape, Mpumalanga, the North West Province, and the Free State. Provision of paid sick leave was evidently not biased by gender.

Table 1.15: The proportion of farmhands and labourers working for someone else for pay in the formal sector in the Agricultural, hunting, forestry and fishing industries that are entitled to paid sick leave by province and gender, 3rd Quarter of 2014.

	Work Status			Total
	Limited duration	Permanent nature	Unspecified duration	
Western Cape	5.3%	71.8%	9.8%	51.8%
Eastern Cape	27.5%	47.1%	5.6%	30.6%
Northern Cape	0.0%	38.1%	0.0%	12.8%
Free State	32.4%	36.9%	0.0%	23.6%
KwaZulu-Natal	5.9%	69.3%	19.1%	44.0%
North West	0.0%	34.7%	11.5%	22.9%
Gauteng	0.0%	68.1%	39.1%	56.0%
Mpumalanga	0.0%	32.9%	10.9%	17.3%
Limpopo	14.4%	68.1%	11.6%	29.1%
Males	9.5%	58.2%	12.2%	37.2%
Females	10.3%	59.5%	7.6%	31.3%
Total	9.9%	58.7%	10.8%	35.0%

Source: QLFS 2014 Q3 (Stats SA, 2014).

Maternity and Paternity leave

Finding of the QLFS of 2014 Q3 indicate that very few farmhands and labourers were entitled to maternity (5.6%) or paternity leave (1.5%) (Table 1.16), however, incidence of survey respondents indicating that they are entitled to this benefit is highest in the Western Cape, followed by the Eastern Cape and Mpumalanga.

Contribution to pension or retirement fund

Findings reported in Table 1.17 indicate that only 20.6 per cent of farmhands and labourers received a contribution to pension or a retirement fund, however, the incidence ranged from 38.6 per cent for workers with employment of a permanent nature to less than 3 per cent for workers with employment of a limited or unspecified duration. Contributions to pensions and retirement funds for farmhands and labourers was most prevalent in Gauteng, KwaZulu-Natal, and the Western Cape, and least prevalent in the Northern Cape, the Eastern Cape, and the Free State. Provision of paid sick leave for workers with employment of a permanent nature was similar for men and women. Although 54.8 per cent of heavy truck and lorry drivers employed in the formal sector of the industry received a contribution to a pension or retirement fund, only 19.6 per cent of motorised farm and forestry plant operators, 20.9 per cent of hand-packers and other manufacturing labourers, and 16.2 per cent of forestry labourers received that benefit.

Table 1.16: The proportion of farmhands and labourers working for someone else for pay in the formal sector in the Agricultural, hunting, forestry and fishing industries that are entitled to Maternity or Paternity leave by province, 3rd Quarter of 2014.

Province	Men entitled to paternity leave	Women entitled to maternity leave
Western Cape	6.6%	13.2%
Eastern Cape	0.0%	5.5%
Northern Cape	0.0%	0.0%
Free State	0.0%	0.0%
KwaZulu-Natal	0.0%	0.0%
North West	0.0%	0.0%
Gauteng	0.0%	0.0%
Mpumalanga	0.0%	4.3%
Limpopo	0.0%	2.9%
Total	1.5%	5.6%

Source: QLFS 2014 Q3 (Stats SA, 2014).

Table 1.17: The proportion of farmhands and labourers working for someone else for pay in the formal sector in the Agricultural, hunting, forestry and fishing industries that receive a contribution to pension or retirement fund by province and gender, 3rd Quarter of 2014.

Work status	Work Status			Total
	Limited duration	Permanent nature	Unspecified duration	
Western Cape	0.0%	38.6%	0.0%	26.5%
Eastern Cape	0.0%	14.9%	0.0%	7.2%
Northern Cape	0.0%	0.0%	0.0%	0.0%
Free State	0.0%	15.9%	0.0%	7.9%
KwaZulu-Natal	24.6%	57.5%	0.0%	38.1%
North West	0.0%	22.7%	0.0%	13.7%
Gauteng	0.0%	78.6%	0.0%	57.4%
Mpumalanga	0.0%	41.0%	4.1%	17.7%
Limpopo	0.0%	38.8%	0.0%	11.0%
Male	5.3%	38.7%	1.4%	22.8%
Female	0.0%	38.3%	0.0%	16.8%
Total	2.5%	38.6%	0.9%	20.6%

Source: QLFS 2014 Q3 (Stats SA, 2014).

Medical aid or health insurance contribution

Although very few (1.5%) of farmhands and labourers received contributions to medical or health insurance, the incidence of this benefit does vary by work status and gender. Whereas the benefit was provided to 3 per cent of workers with employment of a permanent nature, no workers with employment of limited or unspecified duration received the benefit. Of the workers with employment of a permanent nature, 4.0 per cent of men and 0.8 per cent of women receive this benefit. Provision of the benefit does vary by province, with provision of the benefit being highest in Gauteng, followed by the Eastern Cape, the Western Cape and Mpumalanga, and lowest in the Northern Cape, the North West, the Free State and KwaZulu-Natal.

UIF Deductions

Table 1.18 shows that approximately two-thirds (67.1%) of farmhands and labourers had deductions for UIF. The proportion was higher for workers with employment of a permanent nature (90.3%) vs. those with employment of a limited or unspecified duration (45.2% and 40.4%, respectively). On average, men were more likely to have UIF deductions than women (70% vs. 62.3%), however, men and women with employment of a permanent nature were equally likely to have UIF deductions (90.9% of men vs. 89.1% of women). Almost all workers with employment of a permanent nature had UIF deductions in the Western Cape, Gauteng and KwaZulu-Natal. UIF compliance was lowest in the Northern Cape, the North West, Mpumalanga, and the Free State.

Table 1.18: UIF deductions for farmhands and labourers working for someone else for pay in the formal sector in the Agricultural, hunting, forestry and fishing industries by province, 3rd Quarter of 2014.

	Work Status			Total
	Limited duration	Permanent nature	Unspecified duration	
Western Cape	81.8%	99.2%	37.1%	85.65%
Eastern Cape	68.9%	79.9%	76.8%	76.48%
Northern Cape	69.1%	78.1%	23.5%	63.74%
Free State	22.8%	86.2%	37.2%	59.32%
KwaZulu-Natal	70.1%	96.2%	67.3%	84.10%
North West	54.2%	77.7%	38.3%	65.69%
Gauteng	0.0%	97.9%	39.1%	77.73%
Mpumalanga	9.5%	83.2%	40.3%	51.01%
Limpopo	24.3%	79.7%	6.9%	36.42%
Total	45.2%	90.3%	40.4%	67.11%

Source: QLFS 2014 Q3 (Stats SA, 2014).

Membership of Trade Unions

Whereas membership of trade unions is not a measure of either living or working conditions of workers, statistics on union membership are presented in this sector as trade unions may be influential in determining workers working and living conditions. Table 1.19 shows that membership of trade unions was very rare amongst workers in the formal sector of the agricultural industry who have employment of a limited or unspecified duration. Within the category of workers with employment of a permanent nature, the incidence of trade union membership was low for farmhands and labourers (11.4%), motorized farm and forestry plant operators (13.4%) and hand-packers and other manufacturing labourers (19.3%), but is relatively high for forestry labourers (33.7%) and heavy truck and lorry drivers (53.9%).

Membership of trade unions by farmhands and labourers varies geographically. It is highest in Mpumalanga (10.9%), the Eastern Cape (9.7%) and KwaZulu-Natal (7.5%), and lowest in the Northern Cape (1%), North West (1.4%) and the Free State (4.3%). On average, women are slightly more likely to be members of trade unions than men (7.8% for women vs. 5.7% for men).

Table 1.19: Trade union membership status of farmhands and labourers working for someone else for pay in the formal sector in the Agricultural, hunting, forestry and fishing industries by work status, 3rd Quarter of 2014.

Occupation	Work Status			Total
	Limited duration	Permanent nature	Unspecified duration	
Heavy truck and lorry drivers	N/A	53.9%	0.0%	51.4%
Motorised farm and forestry plant operators	0.0%	13.4%	0.0%	10.3%
Farmhands and labourers	1.7%	11.4%	0.9%	6.5%
Forestry labourers	0.0%	33.7%	0.0%	16.2%
Hand-packers and other manufacturing labourers	0.0%	19.3%	0.0%	9.1%

Source: QLFS 2014 Q3 (Stats SA, 2014).

Mode of salary negotiation

Table 1.20 indicates that the most frequent mode of salary negotiation reported by farmhands and labourers is direct negotiation with their employers (81.4%). Negotiation between labour unions and employers is notably higher for permanent employees (9.0%) than for workers with employment of limited (0.7%) or unspecified duration (1.1%). Relatively fewer permanent workers reported having not regular salary increase (3.8%) relative to workers with employment of limited (14.7%) or unspecified (14.8%) duration. A higher proportion of women than men reported having no regular salary increase (11.3% of women vs. 7.9% of men).

Table 1.20: The mode of salary negotiation used by farmhands and labourers working for someone else for pay in the formal sector in the Agricultural, hunting, forestry and fishing industries by work status, 3rd Quarter of 2014.

Mode of salary increment negotiation	Number of workers	Work Status			Total
		Limited duration	Permanent nature	Unspecified duration	
Negotiation between myself and employer	28641	78.7%	81.3%	83.8%	81.4%
Negotiation between union and employer	19004	0.7%	9.0%	1.1%	5.1%
Bargaining council or other sector bargaining arrangement	16497	5.9%	5.6%	0.3%	4.4%
No regular annual salary increase	34446	14.7%	3.8%	14.8%	9.2%
Total	376151	100.0%	100.0%	100.0%	100.0%

Source: QLFS 2014 Q3 (Stats SA, 2014).

Table 1.21 shows that the mode of salary negotiation varied by occupation. Not surprisingly, trade union representation is an important determinant of the role played by trade unions in salary negotiations.

Table 1.22: IHS of Income as Dependent Variable.

Table 1.21: The mode of salary negotiation used by workers in various occupations who are working for someone else for pay in the formal sector in the Agricultural, hunting, forestry and fishing industries, 3rd Quarter of 2014.

Mode of negotiation	Heavy truck and lorry drivers	Motorised farm and forestry plant operators	Farmhands and labourers	Forestry labourers	Hand-packers and other manufacturing labourers
Negotiation between myself and employer at company	46.6%	88.3%	81.4%	83.8%	76.6%
Negotiation between union and employer	38.8%	8.1%	5.1%	11.9%	15.8%
Bargaining council or other sector bargaining arrangement	0.0%	1.0%	4.4%	4.4%	0.0%
No regular annual salary increase	14.7%	2.5%	9.2%	0.0%	7.5%

Source: QLFS 2014 Q3 (Stats SA, 2014).

Incomes

The LMDSA dataset was used to explore trends in farmworker's incomes in South Africa, once again using data for operators of motorized farm machinery (semi-skilled farm workers) and farmhands and drivers of animal-drawn vehicles and machinery (unskilled farm workers). These regression analyses for 2011, 2012 and 2013 are detailed in Table 1.22. In this set of regressions the inverse hyperbolic sine transformation of income per hour was used as the dependent variable. Applying the inverse hyperbolic sine transformation to hourly income serves much the same purpose as logging hourly income, but has the added benefit of being defined at zero. It can be interpreted much the same way. That is, a regression coefficient of 0.1 on an independent variable indicates that a one unit increase in that variable corresponds to a 10 per cent increase in income per hour (Burbidge, *et al.*, 1988).

Looking at Table 1.22 there is a strong positive correlation between formal employment and hourly income, which became significantly larger in 2013 (roughly 20% in 2011 and 2012, around 33% in 2013). This seems to indicate that changes in the minimum wage introduced in early 2013 may have affected the wages of those with formal employment more than those with informal employment. There is an apparent gender wage gap as females, on average and all other things equal, earn roughly 11 per cent less in 2011, 9 per cent less in 2012 and 6.2 per cent less in 2013 than their male counterparts. The population coefficients, with black respondents as a baseline, suggest that there is little difference in hourly income between black and coloured farmworker populations in 2011 and 2012 but an estimated 13.5 per cent difference in average hourly wages in 2013.

Variables	2011	2012	2013
Formal Employee	0.194*** (0.0199)	0.199*** (0.0199)	0.331*** (0.0220)
Age	0.00744 (0.00564)	0.00316 (0.00557)	0.0270*** (0.00563)
Age Squared	-8.14e-05 (7.20e-05)	-3.57e-06 (6.98e-05)	-0.000331*** (7.11e-05)
Female	-0.110*** (0.0210)	-0.0927*** (0.0205)	-0.0626*** (0.0226)
Coloured	0.0300 (0.0369)	-0.0262 (0.0342)	0.135*** (0.0365)
White	1.050*** (0.149)	1.313*** (0.156)	0.860*** (0.203)
Semi-Skilled	0.133*** (0.0366)	0.184*** (0.0332)	0.189*** (0.0351)
Eastern Cape	-0.242*** (0.0432)	-0.312*** (0.0421)	-0.300*** (0.0411)
Northern Cape	-0.0760* (0.0432)	-0.0927** (0.0436)	-0.0111 (0.0517)
Free State	-0.330*** (0.0473)	-0.354*** (0.0429)	-0.240*** (0.0474)
KwaZulu-Natal	-0.223*** (0.0456)	-0.261*** (0.0417)	-0.308*** (0.0476)
North West	-0.255*** (0.0569)	-0.265*** (0.0533)	-0.189*** (0.0570)
Gauteng	-0.0389 (0.0558)	0.0274 (0.0487)	0.0647 (0.0619)
Mpumalanga	-0.218*** (0.0457)	-0.271*** (0.0409)	-0.245*** (0.0450)
Limpopo	-0.340*** (0.0450)	-0.432*** (0.0395)	-0.515*** (0.0436)
2 nd Quarter	-0.00882 (0.0275)	-0.0242 (0.0263)	0.105*** (0.0282)
3 rd Quarter	0.0518* (0.0267)	0.0528** (0.0262)	0.122*** (0.0283)
4 th Quarter	0.0430 (0.0270)	0.00184 (0.0258)	0.149*** (0.0284)
Some Primary	0.0219 (0.0328)	0.114*** (0.0302)	0.0250 (0.0364)
Primary Completed	0.0419 (0.0407)	0.161*** (0.0369)	0.0717* (0.0427)
Some Secondary	0.126*** (0.0343)	0.263*** (0.0316)	0.165*** (0.0372)
Secondary Completed	0.265*** (0.0485)	0.331*** (0.0487)	0.127** (0.0547)
Tertiary	0.120 (0.212)	0.737*** (0.215)	1.185*** (0.125)
Constant	3.832*** (0.117)	3.898*** (0.116)	3.493*** (0.117)
Observations	3,034	3,105	3,241
R-squared	0.152	0.196	0.266

Standard errors in parentheses

*** p<0.01, ** p<0.05, * p<0.1

There is also a large difference in hourly wages between blacks and whites observed in all three years, with average differences of 105 per cent, 131 per cent and 86 per cent. Semi-skilled workers, on average, consistently earned more than unskilled workers. The estimated difference in earnings increased from 13.3 per cent in 2011 to 18.4 per cent in 2012, and was an estimated 18.9 per cent in 2013. There are also differences in average earnings between provinces in each of the years. With the Western Cape again serving as the baseline, we can see that only in Gauteng are the hourly wages for farmworkers comparable (that is, there is no statistically significant difference in per hour farmworker income between the provinces). The biggest difference is in Limpopo where, on average, farmworkers earn 34 per cent, 43 per cent and 51 per cent less than those in the Western Cape in 2011, 2012, and 2013, respectively.

The quarter dummies don't seem to matter as much in 2011 and 2012 apart from a small positive and statistically significant regression coefficient for Q3 of 2012 in which respondents received, on average, hourly wages that were 5 per cent higher relative to Q1. In 2013, however, estimated hourly wages are far higher relative to the first quarter for *each subsequent quarter* (10.5% in Q2, 12.2% in Q3 and 14.9% in Q4). This indicates that, on average, the revision to the minimum wage gave rise to an increase in wages. Education status dummies are also included as controls (with "no schooling" as the baseline). Quite unremarkably, average hourly income is mostly positively correlated with further education in all years.

Farm demographics

Farm workers are directly or indirectly employed by farm businesses. This subsection provides an overview of farming in Farm areas of South Africa. Trends in farm demographics may have implications for on-farm employment. For example, a change in the distribution of farm sizes may impact production technologies; changes in the racial distribution of farm ownership may impact on farmer-farm worker relationships; etc.

In 1991 South Africa had 100 665 792 hectares of farmland (potential arable land plus grazing land) of which 86 186 026 hectares were in Farm areas (of which 13.5% is potentially arable) and 14 479 776 were in Traditional or Tribal areas (of which 14.9% is potentially arable). It also had 1 433 964 hectares of forestry, of which 82 per cent was in Farm areas and 18 per cent in Traditional or Tribal areas (DAFF, 2014). Tables 1.23 presents a breakdown of farmland utilization by province and geography type in Farm areas of South Africa.

Table 1.23: Land utilization in Farm areas of South Africa, 1991.

Province	Potentially arable	Grazing land	Forestry	Nature
	ha	ha	ha	ha
Western Cape	2 454 788	9 105 821	198 938	730 731
Northern Cape	454 465	29 089 367	0	4 952 068
Free State	4 186 523	7 385 477	0	239 500
Eastern Cape	643 501	10 172 366	47 333	523 000
KwaZulu-Natal	838 975	2 600 428	325 197	1302 100
Mpumalanga	1 596 998	2 889 322	526 688	2 275 100
Limpopo	1 169 742	5 984 030	59 350	1 034 400
Gauteng	438 623	390 000	20 190	228 400
North West	2 408 484	4 377 116	0	377 500
Total	14 192 099	71 993 927	1 177 696	11 005 799

Source: DAFF (2013a)

The number of commercial farms (excluding forestry) that were registered for tax purposes in South Africa in 2002 and 2007 is reported in Table 1.24. The number of commercial farms halved from 90 422 in 1971 to 45 818 in 2002 (Aliber, *et al.*, 2007) and declined further to 39 966 by 2007 (DAFF, 2013a). Reasons for consolidation of farms include pressure to achieve economies of size, as well as consolidation of farms through the Land Restitution process.

Table 1.24: Numbers of commercial farming enterprises by province: 2002 and 2007.

Province	2002	2007	Growth / Decline
Eastern Cape	4 376	4 006	-8.4%
Free State	8 531	7 473	-12.4%
Gauteng	2 206	1 773	-19.6%
KwaZulu-Natal	4 038	3 574	-11.4%
Limpopo	2 915	2 934	+0.7%
Mpumalanga	5 104	3 523	-30.1%
North West	5 349	4 902	-8.3%
Northern Cape	6 114	5 128	-16.1%
Western Cape	7 189	6 653	-7.4%
Total	45 818	39 966	-12.7%

Source: DAFF (2013a)

The agricultural sector encompasses a large number of highly diverse sub-sectors that vary not only with respect to the nature and location of production, but also with respect to their marketing arrangements. For example, whereas South Africa is a net exporter of wool, fruit, wine and sugar, other sub-sectors such as lamb, pigs, poultry and dairy are largely focused on domestic markets (Helliker, 2013: 6). Regardless of whether sub-sectors tend to market their produce locally or internationally, they are likely to be integrated into the global economy on the input or upstream side, e.g., through the use of imported inputs such as fertilizers, which are subject to international price changes. Farmers' net incomes are therefore highly dependent on movements in the exchange rate and on global economic conditions (Vink & Van Rooyen, 2009; Helliker, 2013).

Land reform is an important dynamic in the Farm areas that affects both farm ownership and management. The impact of a change in the demographics of land ownership (by race and by ownership arrangements) on farmer-farm worker and farmer-farm dweller relationships is likely to be explored in case-study analyses. Co-ownership of the farm by its workers introduces another dimension to farmer-farm worker relationships. By the end of 2012, 7.95 million hectares (or 7.5%) of formerly white-owned farmland had been redistributed to black South Africans. Findings of a state land audit have been recently released, however, the results released to-date do not include information on the extent of land redistribution. An important objective of the case studies is to explore how the changing demographics of employers of farm workers is impacting on workers working and living conditions.

Section 1.2: The restructuring of the Agricultural Sector

The purpose of this section is to identify contemporary themes with respect to the restructuring of agriculture that warrant further investigation in the empirical case studies.

Agriculture and the State

Agriculture and the state pre 1994

Even before 1948, a bulwark of support was put in place by the Union of South Africa to secure white commercial interests, including those in the agricultural sector. The most notorious of these were perhaps the Land Act of 1913 and the Natives Trust and Land Act of 1936 which eventually provided the underpinnings for a system that created a huge reservoir of cheap labour. Other legislation and institutions created by the government not only provided a protective framework, but also powerful bargaining mechanisms for white farmers. For example;

- The Land Bank of South Africa, which was established in 1912, provides subsidised financial services and credit to white farmers. In addition, the Agricultural Credit Board, an agency within the Department of Agriculture, provided credit to farmers who did not qualify for borrowing from the Land Bank (Vink & Van Rooyen, 2009).
- The Cooperative Society Act (1925) gave rise to the establishment of a network of primary producer cooperatives. Cooperatives bought inputs collectively, thereby being able to negotiate cheaper prices and provided services such as grain storage and transport of produce to the market. They also monitored quality, regulated planting quotas and got rid of surpluses through processing (as in the case of wine and milk).
- The Marketing Act provided for the appointment of state-controlled marketing boards for most agricultural commodities. These boards controlled the movement of produce and were in charge of price setting, monitoring quality standards and the sale and supply of agricultural products. Significantly, the boards controlled the sale of almost all exported agricultural produce. They could use their monopoly power to keep prices high, a system that became known as the single channel market system. The boards also fulfilled an important coordination function. In the fruit canning industry, for instance, the board collected information, monitored comparative plant performance, lobbied government and brought canners into regular contact with each other (Kaplan and Kaplinksy, 1999).

The system of cooperatives provided an important network through which other institutional support was channelled. Firstly, cooperatives were usually appointed as agents to the respective marketing boards, giving them effective regional monopoly power (Piesse, *et al.*, 2003, cited in Ortmann & King, 2007). The latter enabled them to set floor prices (Mather and Greenberg, 2003; Ewert & Du Toit, 2005; Ponte & Ewert, 2009; Ortmann & King, 2007). Secondly, cooperatives were important financial intermediaries: the Land Bank used cooperatives as its agents to provide short and medium-term credit to commercial farmers at subsidized interest rates. The system functioned because the co-operatives had a near monopoly over storage and handling of most crops, which could be held as security against loans made (Bayley, 2000, cited in Greenberg, 2010; Vink & Van Rooyen, 2009). Government also used cooperatives to channel disaster assistance to farmers, usually in the form of debt consolidation (Ortmann & King, 2007: 24). Moreover, the cooperatives also acted the link between the state provided research and extension services and farmers. Pre-1994 government had a dual system of providing agricultural extension services. One provided services to white farmers while the other served farmers in the Homelands. The former was made up of a relatively small numbers of well-qualified staff, often university graduates, while the latter consisted of large numbers of less qualified staff.

Agriculture and the state post-1994

Deregulation

The phasing out of state support to agriculture began in the 1970s. However, post-1994 the government stepped up the process significantly because provision of subsidies and other support to white farmers was no longer politically acceptable. It is however important to consider the broader global context in which the South African state implemented changes to the agricultural sector. In 1994, the Uruguay Round of Negotiations of the World Trade Organisation (WTO) called for a reduction of tariffs. Because South Africa was applying for membership of the WTO at that time, it was therefore under pressure to reduce protectionist tariffs.

In 1997 government scrapped the General Export Incentive Scheme (GEIS), an export subsidy that had benefited a number of exported agricultural products partly under pressure of the WTO, but also because of the high costs of the scheme to government. The deciduous fruit canning industry experienced a reduction in production (Kaplin & Kaplinksy, 1999). But the extent to which the previous tariff regime was reduced went far beyond what was required in terms of the Uruguay Round Agreement on Agriculture (URAA, cited in Griffiths, 2003). For instance, wheat tariffs currently stand at 0 per cent although the bound rates are 72 per cent. As a consequence, imported wheat, as a proportion of total volume consumed in South Africa, has risen from 20 per cent in 1997 to over 60 per cent in 2007. At the same time local production of wheat declined by 54 per cent, indicating that imported wheat has displaced local production (Bernstein, 2013).

Measured by the Producer Support Estimate, the level of support to farms in South Africa has declined substantially and between 2008 and 2010 stood 3 per cent, well below the OECD average of 20 per cent (OECD, 2011: 252, cited in Sender, 2012). Unlike South Africa, most middle-income developing economies have adopted policies that increased their support for agriculture over the

last decade (Aksoy & Ng, 2010:2, cited in Sender, 2012). The primary factors determining changing patterns of global production shares are the European Union's trade and Common Agricultural Policies (CAP). These provide significant gains to European producers, both on the output side (via protection) and on the input side (via subsidies)(Kaplin & Kaplinsky, 1999). In the USA, lobby groups apply pressure on the Food and Drug Administration (FDA) to impose non-tariff barriers against competitors based on spurious health grounds. Consequently producers in South Africa, as in other developing countries, are often unable to compete, even domestically, with highly subsidised imported commodities (Meyer, 2005). This has led Tilley (2002:4) to comment that the South African agricultural sector is today one of the "least state-protected agricultural sectors in the world".

The process of market liberalisation also included the abolishment of the state-controlled marketing boards and the single channel marketing system. Long before the ANC government came to power, producers were divided about the merits of the marketing boards. A main complaint was that they pooled produce and did not reward farmers for quality. Vink and Van Rooyen (2009) argued that because the marketing boards enjoyed a monopoly position they had little incentive to save on marketing costs and innovate. As a result, many of the agricultural subsectors lagged behind their international competitors when it came to efficiency and innovation.

In the early 1990s resistance to the single channel system increased as the gap between producer and consumer prices of agricultural products grew. This precipitated an official inquiry into the marketing of agricultural products, followed by the promulgation of the Marketing of Agricultural Products Act (1996) and the setting up of the National Agricultural Marketing Council (NAMC). The latter was tasked with the immediate dismantling of the marketing control boards and the future managing and monitoring of state intervention in the sector.

There were also expectations that the abolition of the marketing boards would hold other benefits for the country. These would include more efficient use of agricultural resources, increased investment and employment in agricultural marketing activities, more innovation, lower real food prices, less exposure to the agricultural risk for the state, less burden on government finances, and reduced opportunities for rent-seeking by vested interests. It was also hoped that the disbanding of marketing boards would see a further fall in real land prices which would facilitate land reform (OPM, 2000). Although the ANC government contemplated re-orientating the marketing boards to promote the interests of small-scale farmers it was not considered economically or politically viable, apart from in the sugar cane industry. It was argued that the boards would have perpetuated and increased many of the inefficiencies associated with controlled agricultural marketing; that it would have been a very inefficient way of achieving welfare transfers to the poor, and that the cost of the system would have undermined government's macro-economic policy objectives (OPM, 2000:2).

One of the notable exceptions to deregulation has been the sugar industry. Because the industry already had a lot of established small, black farmers, government did not fully deregulate the industry. As a result South African sugar cane farmers still enjoy high levels of tariff protection, even from producers in other SACU and SADC countries (Vink & Van Rooyen, 2009).

Financial services to farmers were also curtailed in this period. Subsidies were cut and the Agricultural Credit Board was closed down on the recommendation of the Strauss Commission (1996). The commission's recommendation that the Land Bank should receive grants from National

Treasury to enable it to expand its developmental mandate to small farmers was never implemented (Vink & Van Rooyen, 2009). This left those wanting to enter the sector without financing to capitalize their operations. Lending by the Land Bank itself was also curtailed. Farmers had to borrow from commercial banks at decidedly less favourable interest rates. While the Land Bank held 22 per cent of all agricultural debt in 1970, by 2005 it held 17 per cent of the total debt, compared to 55 per cent held by commercial banks and 12.5 per cent held by cooperatives (Antrobus & Antrobus, 2008; Vink & Van Rooyen, 2009; Greenberg, 2010).

These major policy reforms had a material effect on the role of cooperatives in South Africa. Cooperatives no longer had the privilege of being appointed as the agents of various marketing boards, and as a result lost their regional monopoly positions. They also were no longer the channel through which government funding was distributed. While they still provide short- and medium-term credit to farmers, they have to perform this function on a commercial basis as the Land Bank now also has to compete with commercial banks for this business.

The lack of suitable agricultural extension services was highlighted in the Department of Agriculture's annual report for 2006. Altogether 801 posts were unfilled, amounting to a vacancy level of 19.5 per cent. The vacancy rate for highly skilled production staff stood at 25 per cent and for highly skilled supervision staff at 30 per cent. In terms of occupations, the critical vacancies were for agricultural and other scientists (64.8%) and agricultural technicians (34.5%). Only 32 of 68 posts for economists were filled by March 2006. This led to an 'Agricultural Extension Officer Recovery Plan' by the Department of Agriculture and funded by the National Treasury, aiming to raise the number of extension officers from 2 000 to 5 000 (Antrobus & Antrobus, 2008). Greenberg (2010) commented that the linkages and coordination between the parastatels, science councils, higher education and development institutions and the private sector that make up South Africa's National Agricultural Research System (NARS) remain weak.

State intervention

While the state on one hand withdrew from agriculture by cutting support to existing producers, it also intervened by extending labour and social security legislation to farm workers and launching a programme of land reform that aimed to give black people more access to land and farming opportunities.

As is discussed in Section 3 of this chapter, the agricultural sector was largely unregulated by labour legislation until the early 1990s. The Basic Conditions of Employment Act of 1983 was only extended to farm workers in 1993 as was the Unemployment Insurance Act. In the same year, the Agricultural Labour Act of 1993 was also adopted. But even then, agriculture was still treated as a special case, with separate provisions regulating basic conditions of employment, collective bargaining, dispute resolution and the like. It was only once the Basic Conditions of Employment Act 75 of 1997 was promulgated that farm workers were no longer specifically excluded from general labour legislation. For the first time, they were on par with other employees in South Africa and could participate in the general structures created by labour legislation. Although this introduced formal equality, it did not necessarily introduce better conditions for farm workers. Moreover, the BCEA did not entirely address the needs of atypical employees such as farm workers. While the Labour Relations Act of 1995 gave bargaining rights to farm workers and thus theoretically enabled them to bargain for better conditions of work, such rights were largely irrelevant given that less than 6 per cent of

workers were/are organised. Hence, the provision of labour legislation calculated to have the greatest effect on agriculture, was the promulgation of Sectoral Determination No 8 in 2003, which importantly set a minimum wage for farm workers, but also attempted to regulate some of the atypical labour relations aspects of the sector (Le Roux, 2002; Theron, *et al.*, 2007).

The state also intervened in the sector by launching an ambitious programme of land reform. A comprehensive discussion of land reform and its failure to meet existing targets falls out of the scope of this paper. For the purposes of this paper, it is however important to bear in mind that less than 5 per cent of commercial farm land (roughly 4 million hectares) have been transferred through land reform. This leaves the bulk of black farmers occupying small pieces of marginal land to which they seldom have right of tenure. Moreover, between 2002 and 2006 the number of South African households with access to farming land declined by 21 per cent, from 1.8 million to 1.4 million (Vink & Van Rooyen, 2009).

A key act that aims to provide more security of tenure to farm dwellers is the Extension of Security and Tenure Act 62 of 1997 (ESTA). The act applies to workers who have lived and worked on a particular farm for more than 10 years, or who had become disabled while working on the farm, and who earn less than R5000 per month. The intention of the act – on paper at least – is that landowners may not evict dwellers who fall under the above categories. Moreover, even when dwellers do not fall within those categories, eviction can only be achieved if a legal process has been followed. The latter has a cost implication for farmers.

Global agro-food restructuring

Although changes in trade have contributed significantly to transformation of the agrifood industry, Reardon and Timmer (2007) argue that it is dwarfed by structural transformation of agri-food industries within developing countries. Reardon, *et al.* (2009: 2) comment that while governments of developing countries have continued to build wholesale markets, since the 1980s the main new developments were private sector investment in and consolidation of processing and retail. The latter spurred a “supermarket revolution” and the spread of fast-food chains, which led to a structural transformation in the agri-foods industry “at speeds never before observed”.

The consolidation of supermarkets also has a major impact on South African farmers, especially for those who export as international supermarkets sourcing from South Africa are increasingly insisting that producers meet not only product, but also process and social standards. In the UK, South Africa’s main trading partner, the six largest food retailers had captured a 76 per cent share of fruit and vegetable shares by 1997 (Fearne & Hughes, 1998: 29 cited in Dolan & Humphrey, 2000).

Reardon, *et al.* (2009) argue that this structural transformation has led to various shifts: from public to private standards; from spot market relations to vertical coordination of the supply chain by supermarkets using contracts and market inter-linkages; and from local sourcing to sourcing via national, regional, and global networks. These shifts have several major consequences for producers. Firstly, it has led to a decline in traditional wholesale and wet markets in many countries, shrinking alternative markets of producers. The rise of supermarkets in South Africa has also contributed to a relative decline in the amount of produce going to traditional wholesale markets over the past 15 years. Since 1996, National Fresh Produce Markets have shown little growth at a time when the production of fresh produce in the country has increased dramatically (Tregurtha, *et al.*, 2010 in Barrientos & Visser, 2012).

Secondly, in order to reduce their risks, supermarkets have increased their degree of control exercised in the chain by reducing the number of suppliers and cutting out middlemen. Some global supermarkets, which until now have used separate preferred suppliers and agents, are taking over functions at the centre of the value chain themselves. For example the international supermarket groups Asda/IPL and Tesco have introduced more integrated global sourcing systems, buying produce directly from farm gate in larger volume and managing distribution through their own distribution centres. By buying direct from larger farms, supermarkets can negotiate a lower unit price based on higher volume. By taking on distribution functions, they can capture some of the value through shipping rebates and increasing economies of scale in the distribution chain. Dolan & Humphrey (2000) argue that producers' chances of accessing the value chain are largely dependent on their ability to meet supermarkets' requirements for cost, quality, delivery, product variety, innovation, food safety and quality systems. Some global supermarkets that until now have used separate preferred suppliers and agents, are taking over functions at the centre of the value chain themselves.

Third, supermarkets further exert control by the requirement that suppliers meet private standards. Private standards can be divided into three groups: (i) product standards; (ii) process standards; and (iii) social standards. Social standards resulted from civil society advocacy and campaigns for improved working conditions in global value chains, and most UK supermarkets adopted the Ethical Trading Initiative (ETI) base code in 1998. However, implementation through social auditing has been slower to reach producers in South Africa, and only took off in 2007 (Barrientos & Visser, 2012). Dolan and Humphrey (2000) therefore point out that more direct links between supermarkets and producers do not mean that there is a reciprocal dependence between supermarkets and their suppliers. Instead, supermarkets prefer to have more than one supplier who compete against each other, and use the threat of substitution to exert pressure on suppliers. A high degree of control is easiest to exercise when there is a severe power asymmetry between supermarkets and their suppliers.

Producers who sell their products locally have also been affected by the "supermarket revolution". Supermarkets have rapidly expanded in South Africa over the past 15 years. The share of a handful of supermarket chains in retail food sales increased from about 55 per cent in the early 2000s to 62 per cent in 2008 and 68 per cent in 2010. The two largest supermarkets, Shoprite and Pick 'n Pay, had a combined share approaching 50 per cent in 2007. Since 1994, the main South African supermarkets have also increasingly penetrated black urban townships and rural towns in the former Bantustans (Bernstein, 2013: 31). While some South African supermarkets monitor their suppliers in relation to product standards, Barrientos & Visser (2012) found no evidence of monitoring social standards (apart from Woolworths). However, given that many producers sell into different overlapping value chains, European supermarket standards are de facto entering into domestic and regional supermarkets too (Barrientos & Visser, 2012).

Exchange rate volatility

A discussion of the global context in which even non-exporting farmers have to operate – given that many inputs are imported – would be incomplete without considering the impact of exchange rate volatility. A weak Rand benefits producers who export as they are paid in foreign currency. Conversely, a strong Rand is not beneficial to South African exporters, as an appreciated currency reduces the value of export and thus the net farm level income, but also levels of export. For

instance, there exists a statistically significant inverse relationship (correlation -0.6) between exchange rates and exports of fresh grape. Fluctuations have been considerable: between mid-1994 and mid-2005, the Rand lost 45 per cent of its value to the US dollar (with sharp fluctuations in between) (Barrientos & Visser, 2012; Greenberg, 2010, Antrobus & Antrobus, 2008).

The rush for land

According to the UN Food and Agriculture Organization (FAO), agricultural production in developing countries will need to double by 2050 in order to feed the projected world population. Anseeuw (2013) argues that this growing demand for food, as well as a variety of other factors, combined with a shrinking resource base, are causing increased commercial pressures on land and fuelling a new global rush for land. As a result, land that was previously seen as marginal is now being snapped up by international and national investors. The trend can also be observed in Africa. For instance, in 2008, Foreign Direct Investment (FDI) directed to Africa was 27 per cent higher than the previous year. Of this a third (\$27 billion) went towards Sub-Saharan mining and agricultural sectors (Anseeuw, 2013). However, FDI in South African agriculture remains extremely low. In 2005 FDI was only 0.5 per cent of the total value of total capital invested in agriculture (Tregurtha, *et al.*, 2009: 17). FDI in South African agriculture has so far mostly been strategic. Investments have been made in industries that control key agricultural inputs, such as seed, agrichemicals and fertilizers (Bemstein, 2013). Walmart's acquisition of a 51 per cent stake into the South African retailer Massmart, however represents a significant FDI and is expected to change the face of retailing in South Africa. It is likely to lead to more competitive practices between local supermarkets and increasing downward pressure on producer prices.

Impact on producers

The changes described above have led to extensive restructuring in the agricultural sector. There are too many variables to make causal relationships between specific changes and their outcomes. Rather, it is likely that the combined impact of these various changes have led to a range of outcomes, which affected producers and workers differently. In addition to the changes described above, there are also other factors that either mitigate or exacerbate the impact of these changes on producers. Such factors include product type, whether the farmers export or sell domestically; the size of the farmer's operation; level of the farmer's integration into the value chain; type of value chain; and finally, labour intensity of the business. Below follows a summary of the gains and drawbacks of these changes for farmers as documented in existing literature, and more specifically, how farmers have restructured their businesses to accommodate these changes.

More efficiency

Proponents of deregulation have argued that South African farmers have become much more efficient following deregulation. The fact that South Africa's total agricultural production has increased in real terms in the post-deregulation period is stated as proof thereof. Most examples of increased efficiency refer to non-labour intensive subsectors, especially field crops. For instance, it has been commented that as the prices of field crops adjusted downwards to world market levels, commercial farmers shifted to minimum intervention production systems by using less inputs. Simultaneously, on-farm field crop production has been shifted to better quality soils. There has also been a sectoral shift in production out of more marginal areas. These adjustments have allowed farmers to maintain total output of major field crops while ploughing less land (Vink & Van Rooyen, 2009; Meyer, *et al.*, 2009; OPM, 2000). The maize industry is often mentioned as an example of a

subsector that has made impressive efficiency gains. While the area planted under maize has reduced by about 40 per cent since 1980, the 2010 maize crop was the largest since 1982. However, the contribution of genetically modified (GM) maize seed in this achievement should not be underestimated. In 2008, the proportions of the total maize area planted with GM seed were 56 per cent for white maize and 72 per cent for yellow maize (Bernstein 2013: 28, citing ACB, 2009: 47).

The Agricultural Markets Division on the South Africa Futures Exchange (SAFEX) was set up in 1995 to provide farmers with more protection. SAFEX allows for the trading of futures and options contracts in white and yellow maize, wheat and sunflowers. By using SAFEX instruments effectively, farmers can minimise their price risk, which in turn lowers their cost of doing business (OPM, 2000: Vink & Van Rooyen, 2000). However, SAFEX has been criticized for allowing especially large corporate-owned farms to manipulate prices (Hall 2009).

Other advantages of deregulation often listed include the stabilization of food prices (in any event between 1992 to 2000) despite a significant real depreciation of the Rand and an increase in the number of new enterprises in the food and agricultural sector (OPM, 2000). For instance, there has been a rapid increase in the number of smaller abattoirs in the rural areas due to the scrapping of regulation that previously allowed livestock only to be slaughtered in approved abattoirs in “controlled areas”. A larger proportion of red meat is now also sold in the informal sector, benefitting poor consumers. In addition, an increasing proportion of the maize crop is now milled by small-scale millers, both on- and off-farm. Industry estimates suggest this can be as high as 30 per cent of the crop. Also the wine industry saw an increasing number of independent wine-makers and cellars: the number of wine cellars crushing grapes increased from 295 in 1998 to 604 in 2009 (Vink & Van Rooyen, 2009, Murray, 2011).

A power shift downstream

Following deregulation, structural power has shifted downstream, away from primary producers to processors, marketers and retailers in industries that are tightly integrated into global value chains (Ewert & Du Toit, 2005). For instance, under a regulated system Capespan - the company that emerged from the amalgamation of Outspan and Unifruco and previously monopolised the export of deciduous and citrus fruit - negotiated en bloc on behalf of producers with overseas importers. Shortly after deregulation, about 240 export agents registered themselves and started competing with Capespan for a slice of the pie. These export agents, representing a now fragmented producer base, and now negotiated individually with consolidated supermarkets (Barrientos & Visser, 2012; Mather & Greenberg, 2003). Needless to say, the supermarkets had a field day.

This resulted in a precipitous drop in prices. In 2000, the third year after deregulation, the fruit export industry as a whole lost an estimated R1 billion in export earnings. A number of studies reported drops in prices for specific commodities. Some citrus farmers received no payment for fruit, or worse, an invoice from their exporter to cover transport and marketing costs (Mather & Greenberg, 2003). The pre-Christmas price for a 9 kg carton of grapes paid to suppliers dropped from £39 in 1998 to £22 in 2004. It was claimed that during the same period UK retailers increased their gross margins from 15 per cent to as much as 35 per cent (Symington, 2008: 160). Decreased prices following deregulation were also reported in the apple and fruit canning industries (Vink & Van Rooyen, 2009; Kaplan and Kaplinksy, 1999).

In dairy, as in the case of wheat, quantitative import controls were phased out and replaced by tariffs which saw a drastic increase in legal and illegal dairy imports, from countries where dairy production are heavily subsidised.⁸ The milk-powder market was halved as a result, and the local butter and cheese markets were also heavily affected (Theron, *et al.*, 2007).

It has been argued that though profit rates in commercial farming dropped post deregulation, they have since recovered and that farming has once again become profitable (RSA 2010, 10; cited in Bernstein, 2013). However, this claim is debatable. While Meyer, *et al.* (2012: 4) report an increase of between 0.02 per cent and 1.25 per cent on producers' and purchasers' prices of all agricultural and food products, they simultaneously point out that price is not the only factor in the profitability equation. While the unit costs of labour have decreased since 1993, the share of labour remuneration "in the agricultural value added" has remained around a third. In the meantime, the unit costs of intermediate outputs (such as fertilizer, seed, agrochemicals, etc.) as well as their share "in the agricultural value added" have increased. Hence, farmers' profits have declined as a share of the gross value of agricultural production. Similarly Barrientos & Visser (2012) found that increases in input costs and private standards in the table grape industry have outstripped price gains. In the wine industry, Murray (2011) reports that although the average retail price of a bottle of wine increased by 59 per cent between 2004 and 2010, wine producers' average net farm income on a bottle of wine has decreased by 73 per cent over the same period as a result of the rapid rise in production and cellar costs, but also as a result of distributor margins and duties. Given the rise in input costs, fertilizer application per hectare of arable land fell by about 13 per cent between 2002 and 2008 and the number of tractors per 100 square meters of arable land has fallen by more than 50 per cent since 1994 (Sender, 2012).

Apart from increasing downward pressure on price, closer integration into global value chains governed by supermarkets have also forced producers to comply with a raft of private standards, as has been discussed above. Producers are particularly concerned about the rising costs of implementing these standards and having to pay for third party audits themselves⁹ (Reardon, *et al.*, 2009; Barrientos & Visser, 2012; Vink & Van Rooyen, 2009, Mather, 2005).

Opening up of new markets and opportunities

The power imbalance between South African producers and their traditional buyers has been somewhat mitigated by a growth in trade with previous Eastern Bloc countries, Russia, Asia and Sub-Saharan Africa (SSA). Increased trade with SSA has been a result of trade deregulation, which has included the abolition of quantitative controls in agricultural trade within the Southern African Customs Union (SACU); a free trade agreement with the Southern African Development Community (SADC); and a range of bilateral treaties. By 2005, South African exports to Africa constituted 20 per cent of total agricultural exports (Vink & Van Rooyen, 2009). Sub-Saharan Africa (SSA) is rapidly

⁸ It is estimated that milk is the third most distorted agricultural market in the world⁸ (Promar International). The EU is the largest international trader in dairy products, their dairy support policies, which include large subsidies on primary and secondary level, have a large disruptive effect on the international market. The International Dairy Federation (2000:10) reports on the EU and the US that "...neither is competitive without refunds....." (NAMC, 2001). In 2005 imports into South Africa increased sharply, in spite of perceived surpluses in the local market, to the highest level in seven years.

⁹ According to informants GlobalGap and most supermarket audits cost R6,000 per farm per audit excluding auditor transport and food. BRC costs R12,000 per packhouse. Ethical audits cost about R8,000 per farm (industry source) (Barrientos & Visser, 2012).

becoming the sole destination for some vegetables exports from South Africa. In general, a higher percentage of less perishable vegetables is exported to SSA, as a lack of cold chain management in these countries precludes the export of more perishable products. Nearly all tomato exports go into SSA as well as a significant proportion of onions (tomatoes are harvested when they are still green). However, containerisation is helping to drive the process of regional exports within SSA, by providing small producers with affordable cold chain management. Containers are effectively able to act as a low-cost self-contained 'cool chain' which can be temperature controlled simply by plugging it in to a power point (Barrientos & Visser, 2012).

Shifting consumer patterns is also opening up opportunities for regional trade. According to Accenture (2011), consumer income in Africa has grown at 4 per cent per annum over a decade reaching nearly \$600bn in 2010 (Barrientos & Visser, 2012). Another factor contributing to more regional trade, tied to a growing middle class in Africa, is the expansion of South African supermarkets both within South Africa and in Africa. Shoprite is leading the way into Africa, and by 2011 already had operations in 15 African countries. Pick 'n Pay, MassMart and Woolworths are hot on its heels and are opening shops at a fast pace (Barrientos & Visser, 2012).

Barrientos & Visser (2012) argue that the growth of South-South trade is beginning to alter the bargaining position of fruit growers relative to European supermarkets as growers are beginning to have more options in terms of the buyers for their produce. For instance, in 2010 the net prices for apples and pears offered by EU supermarkets (taking cost differences into account) was similar to that offered by South African supermarkets. Eastern markets offered them fixed prices which were just as high as those offered by the European supermarkets (who tended to buy on consignment basis). However, exporters/producers said that some of the UK supermarkets have recently begun offering them fixed or minimum price guarantees due to competition from elsewhere, a significant change to normal previous practice (Barrientos & Visser, 2012). An advantage of supplying non-EU supermarkets is that they generally require less stringent standards, yet they are paying comparable prices (taking cost into account). Although these changes are incrementally creating a more favourable sellers' market, it is however still early days. By 2011, more than 70 per cent of all South Africa's grapes and stone fruit still went to EU and UK markets.

Bernstein (2013: 32, citing Hall, 2011 and Martiniello, 2010) comments on a different kind of "export" from South Africa: the movement by South African commercial farmers to farm lands elsewhere in Africa. Initially, individuals or small groups of farmers moved into SSA, but more recently Agri SA has actively pursued land concessions and other favourable conditions for South African farmers in various African countries. Bernstein (2013) specifically refers to a deal negotiated by Agri SA with the government of Congo to allocate 200,000 hectares of former state farms to a consortium of South African commercial farmers with the option of expanding available land to 10 million hectares.

The South African government is active in supporting this expansion. In 2010, the Department of Agriculture announced a R6 billion fund to support South African farmers, half of which would be spent on projects beyond South Africa's borders (Hall 2011b, 7–8). However, according to Anseeuw (2013), while South African investors are active in land deal negotiations in the rest of Africa, 71 per cent of Africa's farmland investments still originate from outside the continent.

Research and extension services

Dolan and Humphrey (2000: 150, 156) point out that supermarkets both anticipate and shape customer needs and make decisions about how these needs should be met. Hence, they argue that the governance of value chains by supermarkets provides suppliers with more complex information about changing market requirements and product specifications. While preferred suppliers integrated into value chains get first hand market guidance from supermarkets on consumer demands, those excluded from the chain find it increasingly difficult to get information on new trends.

But it is also not difficult to see that even preferred suppliers are left in a vulnerable position if their only access to market intelligence is supermarkets, with which they often have a fraught relationship. For instance, farmers run the risk of having to plant new cultivars that have been untested in the marketplace, and having to invest in an increasing different array of packaging as well as post-harvest handling equipment and procedures. The costs and risks associated with such investments are primarily funded by private producers who can afford it.

The need for independent, state-funded research that could give producers a competitive advantage, but also expose them to less risk, therefore remains crucial. Yet, as indicated earlier, research and extension services, especially to commercial farmers, have been drastically reduced. By 2007, direct public investment in agricultural research and development was 30 per cent less than it was in 1971. While the NAMC and the Department of Agriculture, Food and Forestry (DAFF) provide some broad market information, specialist intelligence gathering is left to the private sector, which requires direct payment for detailed market information (Vink & Van Rooyen, 2009; Sender, 2013; Greenberg, 2010).

The impact of land reform

Anecdotally it has been claimed that land reform is creating a climate of uncertainty in the sector that is leading to disinvestment from the sector. However Bernstein (2013: 40) comments that land reform has had very little effect on commercial agriculture and agribusinesses. The promulgation of the Extension of Security Act, an attempt by the state to provide farm workers with more tenure security, has seemingly had unintended consequences. It has been claimed that the Act has led not only to a decrease in agricultural employment (Conradie, 2006; Vink & Van Rooyen, 2009), but also to large-scale evictions.

Higher labour costs

The introduction of a sectoral determination in agriculture resulted in increased wages. It also increased the proportion of workers who were covered by formal employment contracts (Bhorat, H, R Kanbur and B Stanwix, 2012.) Yet, it must be noted that these increases have been from a very low base. The minimum wages in 2003 were respectively R650 per month for workers in areas loosely classified as 'rural' and R800 per month in areas classified as 'urban' (Theron, *et al.*, 2007).

In spite of fairly small wage increases since, labour costs have increased significantly over the last decade, especially in labour-intensive subsectors. In the table grape industry labour costs as a percentage of gross farm income have increased from 35 per cent in 2000 to 52 per cent by 2011 (Barrientos & Visser, 2012). In the wine industry labour costs account for 41 per cent of total direct costs of production (Murray, 2011). In the apple industry, for the typical 55 hectare (apple and pear)

farm, the cost of permanent labour accounted for 45 per cent of overhead costs and 26 per cent of total costs (Meyer, *et al.*, 2012).

Some winners, some losers

The combined effects of trade deregulation, closer integration into global markets and agri-food restructuring has created some winners, but many more losers. Winners are mostly found downstream, in processing or marketing nodes of the chain, and have strengthened their position through mergers and acquisition. Producers are less often found in the winning circle, and if they are, it is because they have joined forces through amalgamation; have been the beneficiaries of a fairly ruthless process of consolidation; and/or have moved up the value chain before, or fairly early after deregulation. “Winner” producers also seem to be located disproportionately in the field crops sector, which is not labour intensive.

Bernstein (2013: 28, 31) argues that agribusiness – understood here as corporate activity upstream of farming (suppliers of seeds, fertilizer, agrichemicals, machinery) and downstream (milling and other processing, marketing and distribution) – was already highly concentrated in some branches and commodities by the end of apartheid. However, these have become comprehensively more concentrated since 1994. He comments on “how effectively South African agrarian and agribusiness capital – with the support of the last apartheid government – (re)positioned itself for the new dispensation... This is not to say that there was a single encompassing ‘master plan’ (or ‘conspiracy’) of ‘organized agriculture’, but there was a series of connecting ‘plots’ by groups with more knowledge of how agriculture works and greater coherent purpose than the ANC was able to mobilize, and which laid the ground for subsequent ‘normalization’ qua ‘deregulation’/‘liberalization’” (Bernstein: 2013: 42). In the same vein Helliker (2013: 7) argues that “liberalization was supported by and sometimes animated by big agricultural capital, including agro-processing businesses”.

That the National Party government passed the Co-operatives Amendment Act (No 37 of 1993) a year before they handed over power to the ANC, gives some credence to their argument. It has been noted that support by the apartheid state to the agricultural sector was so generous that by the 1990s cooperatives have amassed an asset value of R15.2 billion, with the top eight cooperatives accounting for 45 per cent of this total (CPTT 1997, cited in Greenberg, 2010). Anecdotally it has been suggested that as the political hand-over of 1994 loomed large, white farmers started to fear not only that their land, but also the assets in their cooperatives would be expropriated. It is therefore highly significant that on the eve of a change in power, the Cooperatives Amendment Act of 1993 provided for the incorporation of co-operatives as public or private companies.

Not surprisingly, many cooperatives consolidated and converted to companies which concentrated marketing power in the likes of Afgri, Senwes and Distell. By 2004, between them, Senwes, Afgri and Noordwes (privatised former co-operative agribusinesses) owned more than 70 per cent of domestic grain storage facilities. In 2009 Afgri, which emerged from the privatised Oos-Transvaal Ko-op, claimed a 30 per cent market share of handling and storage capacity in South Africa (Afgri 2009). Some even listed themselves on the Johannesburg Stock Exchange (JSE), enabling them to reinvent themselves as private agribusiness corporations (Ponte & Ewert, 2009; Bernstein, 2013).

In terms of downstream activities, the top four maize millers controlled 73 per cent of the milling market in 2004 (FPMC 2004:148-49). Wheat producers and millers, co-operatively organised into

Sasko and Bokomo, merged under the umbrella of Pioneer Foods, and held one-third of the wheat flour market in the late 1990s. The sugar corporations Illovo and Tongaat-Hulett now operate in six countries in southern and east Africa. The top ten food-manufacturing companies accounted for 70 per cent of the sector's turnover in the mid-2000s. Likewise, the top ten seed companies - with Pannar, a South African company at the top - have rights to over almost two-thirds of registered seed varieties in South Africa (Hall 2011b:8, cited in Bernstein, 2013; Madima 2006, cited in Greenberg, 2010; Bernstein, 2013). Amin and Bernstein (1996), argue that the privatisation of cooperatives led to the accumulation of financial assets accumulated from four decades of state subsidisation. The transformation of cooperatives to companies can be interpreted as capital flight.

While agri-businesses downstream seem to have benefited from market liberalisation, the picture upstream looks glum. In 1996, there were 60 000 farming units, but by 2007 these had declined to fewer than 40 000 units. By 2001 half of South Africa's commercial farmers had a turnover of less than R300 000 (Vink & Van Rooyen, 2009). Within specific industries this consolidation has been dramatic. In the dairy industry there had been a 41 per cent reduction in the number of commercial dairy farms between 1997 (the year in which deregulation took place) and 2006 (Chabane, *et al.*, 2008 cited in Bernstein, 2013). In the wine industry, there has been a 21 per cent drop in the number of primary producers following deregulation. Consolidation is expected to increase. In the Cape Winelands District Municipality it is estimated that only 25 per cent of CWDM farms have vineyards larger than 40 ha, seen as the break-even point for sustainable wine grape farming. This downward pressure on price is leading to a vicious circle where farmers cannot afford to renew vineyards, experience ever decreasing yields and ultimately have decreasing profit margins. Current data indicates that total new annual plantings have tended to decrease from some 3600 ha in 2005 to current levels of just over 2000 ha (Murray, 2011).¹⁰

Consolidation in other sectors has happened at later stages. The table grape industry has seen a 30 per cent drop in the number of producers between 2007 and 2011 (SATI 2011, cited in Barrientos & Visser, 2012). In the apple and pear industry, the number of farms between 100 and 250 hectares (i.e. major fruit farms) increased by 19 per cent between 2005 to 2011 (Meyer, *et al.*, 2012). The one possible upside of a more concentrated producer base is that it could begin to balance power inequality between buyers and suppliers which at the moment is listing heavily in favour of buyers (Barrientos & Visser, 2012).

Impact on new black farmers

While increasing competition and pressure as a result of market liberalisation and agri-food restructuring have led to the "shaking out" of many white commercial farmers, the impact on land reform beneficiaries has been far worse. The phasing out of marketing boards and cooperatives that provided essential support services to farmers happened more or less at the same time that black farmers were trying to establish themselves. These fledgling farmers had to survive in a cut-throat environment with very little support. "How precisely are small farmers expected to compete in a global market, when an established commercial farming sector is increasingly unable to do so? It does not seem government has begun to consider this policy conundrum," comment Theron, *et al.* (2007).

¹⁰ It is estimated that 61% of wine grape farmers within the Cape Winelands District Municipality are making a profit of less than R100 000 a year and that 82% of farms are making a profit of less than R200 000 a year.

Although the ANC produced an agricultural policy document in 1994 that emphasised smallholder agriculture, Greenberg (2010) comments that it contained very little reflection on where it would emerge from or how it would be built. Government support to small farmers was negligible until 2003, which saw the launch of the Comprehensive Agricultural Support Programme (CASAP), aimed at facilitating market entry for black farmers. In 2005 government promulgated the new Cooperatives Act of 2005 with the specific aim of helping black people in rural areas to establish so-called “emerging cooperatives”. Government financing agencies such as Khula and SEDA have also been mandated to support “emerging cooperatives”, while the Department of Trade and Industry announced that they would support farmers through capacity building grants. The ANC’s 2007 Polokwane conference resolutions also identified cooperatives as a key organisational form to integrate smallholder farmers into formal value chains and link them to markets. Yet, while most provincial farmer support programmes have expanded in real terms since 2007, implementation has remained patchy, with a lack of capacity at provincial level blamed for an inability to use available resources. Small-scale African commercial farmers have reported a range of problems with marketing, including a lack of transport or the expense of hired transport; lack of assemblage and storage facilities in rural areas; poor road infrastructure; and lack of market information (NAMC 1998). Most of these services were privatised and have fallen under the control of the larger commercial interests (Greenberg, 2010).

Moreover, becoming a supermarket supplier remains a challenge for most small farmers. When supermarkets and importers wish to develop new sources of supply, they look for producers that already have the potential to meet the exacting requirements of the fresh vegetable chain. Supermarkets are wary of sourcing from small farmers. They realise that failure to meet food safety or ethical trading standards can result in bad publicity and undermine their position in the market place. (Reardon, *et al.*, 2009; Dolan & Humphrey, 2000: 169, Mather, 2005).

Greenberg (2003, citing Bayley 2000: 123) argues that very few emerging farmers have an understanding of the functioning of international markets and/or the marketing skills to know when and where to market their fruit, which put them at the mercy of marketing agents. He points out that successful exporting requires co-ordination, which in turn depends on information and effective participation in networks that are partly social in character. Yet, in a deregulated environment information is critical for success, but is far more difficult to obtain than under a regulated system, because market information is no longer gathered by a single system. He therefore predicts that because of this disabling macro-economic climate, a large section of resource poor farmers and new entrants will probably only succeed through subordinate and dependent relationships with agribusinesses.

Reardon, *et al.* (2009) argues that if small farmers were to “make the grade” government has an urgent and significant role to play. Alas, Greenberg (2010) points out that despite the rhetoric of rural development, agriculture’s budget allocation is a more accurate reflection of the prioritization government lends to the sector. Even if provincial budgets are added to the national budget for agriculture, the total budget for the sector constitutes just 1.6 per cent of the national budget. Sender (2012), citing others, is even more pessimistic about the survival chances of small farmers. He argues that even if small holders are organised into cooperatives and associations, and supported by state institutions, the recent track record of such smallholder cooperatives does not suggest that they will become capable of making a significant contribution to output or wage employment.

Impact on workers

The remaining section looks at what measures producers have taken to cope with the changes discussed above that have particularly affected workers. One solution has been to mechanise. South Africa still ranks among the countries where primary agriculture is still relatively labour intensive. This can be ascribed to the fact that South African farmers traditionally had access to cheap labour (Meyer, *et al.*, 2012).

A substantial proportion of harvesting activities of fruit and vegetables cannot be mechanised and is therefore heavily dependent on manual labour. However, where production activities can be mechanised it has picked up pace in the last fifteen years. For instance, a 1997 survey of 104 wine farms found that 36 per cent of producers made use of mechanical harvesters. But by 2011, a VinPro discussion group put the use of mechanical harvesting at 51 per cent (Ewert, *et al.*, 1998; Murray, 2011). It is estimated that in the wine industry one harvesting machine can replace as many as 70 workers per 12 hour shift. The machines also offer important quality advantages, such as enabling farmers to harvest quickly when sugar levels are correct, or at night to make sure grapes are cool (Du Toit & Ewert, 2005). Murray (2011) predicts that if South Africa is to follow the wine farmers in Australia and the USA, an increasing swing to mechanisation can be expected. New vineyard plantings will probably be designed for more automation not only during the harvesting period, but also for mechanised pruning.

While the press has reported on a rumoured increase in mechanisation following the 52 per cent increase in the agricultural minimum wage in March 2013, the extent to which this has really happened has not yet been established. Yet, commenting on the effect of the new minimum wage in the potato sector, Meyer, *et al.* (2012) note that the industry could replace 40 per cent of its labour force through mechanisation and pack house modification. They note that this could result in the loss of employment for almost 10 000 seasonal workers and 2 300 permanent workers.

Restructuring the workforce

Although a decrease in agricultural employment has been ascribed to the introduction of the Extension of Tenure Security Act (Conradie, 2006; Vink & Van Rooyen, 2009), it has more often been linked to the introduction of the minimum wage for agriculture (Bhorat, *et al.*, 2012; Vink & Van Rooyen, 2009; Barrientos, 2001 cited in Kritzing, *et al.*, 2004; Sparrow, *et al.*, 2008). Meyer, *et al.* (2012) notes that the number of employees in the agricultural, forestry and fishing sector has declined from 1.52 million in 2002 (the year before the introduction of the minimum wage) to 661 025 in the third quarter of 2012.

However, Theron, *et al.* (2007) argue it is impossible to disentangle the impact of the minimum wage on employment from other factors that might have had an equal, if not worse impact on employment levels. Such factors include trade liberalisation, exchange rates movements and adverse weather conditions.¹¹ To illustrate their point, they note that from 1993 to 2001 – prior to the introduction of the minimum wage, but in the period in which trade liberalisation took effect - employment in agriculture fell by 32 per cent (DFID Southern Africa, 2003, cited in Theron *et al.*; Sparrow *et al.*, 2008).

¹¹ Act 62 of 1997. Conradie (2006) suggests that ESTA might have increased the perceived costs of standard labour relative to non-standard labour.

Other studies reinforce the point: a 2003-survey of 77 wine and fruit farms in six Western Cape districts found that 58.7 per cent of farms (and 70% of deciduous fruit farms) had reduced their permanent labour force in the period just after deregulation while almost half of respondents (47%) planned to decrease labour in the future (Du Toit and Ally, 2003). A 2004-study of 18 apple producers in Grabouw and Ceres found that most producers were downsizing their permanent workforce, either by retrenching workers or through a process of attrition (Barrientos and Kritzinger, 2004). The fact that permanent workers in the total table grape industry fell from 28 per cent in 2007 to 20 per cent in 2010/11, testifies to the fact that the process of labour reduction cannot easily be tied to one specific event, but is rather an on-going process.

The 52 per cent increase in the minimum wage in March 2013 is expected to lead to even more labour restructuring. Meyer *et al.* (2012) note that structural adjustments - including mechanization and consolidation of farming units - will be made to absorb the new minimum wage. For highly labour intensive industries that cannot mechanize, they anticipate more intensive labour shedding and a 28 per cent drop in the demand for unskilled agricultural labour.

Increased casualisation

Restructuring labour does not only involve reducing labour, but also the casualisation and externalisation of labour. Casualisation refers to the process where workers who were previously employed on a permanent basis, are re-employed or replaced on part-time time or fixed term contracts (such as seasonal contracts). Externalisation refers to the process where employees are no longer employed directly by the primary employer, but instead employed via an intermediary (such as a labour broker) that is contracted by the primary employer.

The benefit of casualisation from an employer's perspective is that seasonal workers are usually paid less than permanent workers, but also have lower non-wage costs. While permanent workers sometimes have access to a pension fund, seasonal workers do not; and whilst permanent workers are often employed in on-farm accommodation and enjoy access to free, or subsidized crèche facilities for their children, seasonal workers increasingly live off-farm in accommodation paid by themselves. Although the farmer usually pays for their transport to the workplace, this cost is minimal considering the costs of providing on-farm accommodation. Benefits enjoyed by workers living on the farm are estimated to be equivalent to an additional 30 per cent of on-farm workers' monetary income (Kritzinger *et al.*, 2004). Seasonal contracts also provide farmers with a high degree of flexibility to cope with increasing commercial insecurity and competitive pressures. Moreover, trade unions and civil society organisations have less ability to represent or support seasonal workers given their high turnover and job insecurity. As a result seasonal workers have little, if any bargaining power (Barrientos & Visser, 2012). It is estimated that the casual share of total farm labour increased from about one third to almost one half between 1996 and 2007 (Roberts 2009:45).

Farmers' attraction to externalisation is that it is seen to avoid the hassle factor associated with employing a large numbers of workers for short periods of time (Meyer *et al.*, 2012). Externalisation tends to take place in labour intensive industries. For instance, in the milk industry, many processors have outsourced or contracted out functions to labour brokers who supply casual workers to the processor (Newman, 2004, cited in Theron *et al.*, 2007).

Apart from casualised and externalised workers, another sub-category of vulnerable workers often isolated by studies, are female farm workers. Traditionally they been employed on seasonal contracts , or just seasonally, without a contract, and their employment has often been tied to that of their partner or father. As they are employed year in and year out on seasonal contracts, they have traditionally been paid the lowest wage of all farm workers.

Kritzinger *et al.* (2004) argue that the sectoral determination has probably benefited women workers, since it precluded paying women workers lower wages than the legal minimum. Moreover, a study of worker conditions in the apple industry suggested that from the mid-1990s farmers began to appoint women previously employed on seasonal contracts on permanent contracts to maximise the full productivity of on-farm labour. Similarly Vink & Van Rooyen (2009) argue that the shift towards mixed farming systems has helped flatten the sharp seasonal labour demand peak and enabled farmers to employ women throughout the year. It has therefore been reported that by the late 1990s there had been a major improvement in the employment position of on-farm women regarding basic conditions of employment, for example, paid sick and holiday leave, paid maternity leave and access to a work pension scheme (Kritzinger *et al.* 2004).

However, where female workers have been appointed on permanent contract and farmers have cut costs, women have disproportionately been the victims of the casualisation process. Sender (2012, citing Burger and Yu 2007: 15 – 16) argue that aggregate data covering all sectors of formal employment clearly shows a decline in the average real wages of both female workers and unskilled workers between 1995 and 2005. Anecdotally, it has been reported that the primary casualties of the introduction of the new minimum wage have been female workers, who have either been retrenched or are now working shorter hours.

The need for more skilled workers

Various authors have reported on the growing divide between an increasingly smaller core of permanent workers that are better skilled, receive more training and enjoy better employment conditions, versus a growing pool of seasonal workers that are less skilled, receive little training, and have poor employment terms and conditions (Kritzinger *et al.*; Barrientos & Visser, 2012; Du Toit & Ewert, 2005; Mather & Greenberg, 2003). Meyer *et al.* (2013) argue that while South Africa's agricultural sector has long been dependent on cheap and unskilled labour the trend now is to move to fewer, more skilled and better paid workers. Proof that this process is already underway is reflected in the fact that the unit cost of labour declined from 18.5 cents per Rand of output in 1993 to 10.8 cents per Rand in 2007, an indication of declining overall employment, but also of the employment of more skilled workers (Bhorat, 2000 in Vink & Van Rooyen, 2009).

In the fruit industry, a major employer within the agricultural sector, Barrientos & Visser (2012) report an increasing demand for *more* educated and skilled workers (both permanent and seasonal). They are needed to maintain productivity and efficiency of quality output, but also to cope with both the increasing complexity of production and packing for diverse markets with different requirements and standards. An underlying tension thus exists between the commercial demands of the sector, and the employment relations and profile needed to achieve these.

Section 1.3: The regulatory framework of employment by farm businesses

This section concerns the regulatory framework that governs the relationship(s) between farm workers¹² and their employers (primarily farmers and contractors rendering services on farms), as well those governing the relationships between farm dwellers and farm owners. The regulatory framework refers to the rules that determine the parameters of these relationship(s). It includes rules introduced through legislation, subordinate legislation (a term explained below), and through the courts. It also includes other forms of social control or influence brought to bear on the relationship, including those that are not derived from the state or public agencies (Benjamin, 2009), such as private regulation.

Labour legislation in Agriculture

The relationship between farmworkers and their employers (mostly farmers or farm businesses, but also contractors and labour brokers) refers primarily to an employment relationship between the employer and those who work for him or her, or it (where the employer is a corporate entity). This employment relationship is governed by the same laws that apply to other forms of employment, referred to collectively as labour legislation. The rationale for labour legislation is to address an imbalance of power in the relationship between an employer and employees. Labour legislation in agriculture does not have a long history. For many years it was excluded from labour legislation altogether, and until relatively shortly before the transition to democracy in 1994 it was still being regarded as a unique sector deserving of special treatment. It was only after the adoption of the Labour Relations Act (the LRA) in 1995 that farmworkers became eligible for the same rights as other employees.

Contractors and Labour Brokers

Besides farmers and farm businesses, labour legislation applies to the employment relationship between “contractors” (those that undertake work for the farmer, but not in terms of an employment relationship) and their employees. It also applies to labour brokers (or temporary employment services). Contractors are, in effect, intermediaries, providing teams of workers to the farmer to undertake particular tasks. Often these tasks are specialist activities, such as pruning or shearing, but some farmers do also outsource some recurrent activities to contractors. This latter category has sometimes been described as the externalization of employment. A key aspect of the employment relationship is that the workers are remunerated by the contractor and not the farmer. In the case of labour brokers, the workers are remunerated by the farmer.

Labour legislation does not, however, as a general proposition apply to the relationship between farmers and “independent contractors”. The rationale for this situation is presumably that a contractor who is genuinely independent does not need protection to the same extent as a worker in an employment relationship, and in any event there is no one who can be held accountable for the conditions under which he or she works. Increasingly, however, there are persons working in a contractual relationship whose independence is questionable, and for whom the rationale outlined above may not be valid. An example in the context of agriculture is “contract farming”, where small-

¹² A farm worker is defined in terms of Sectoral Determination 13 as a person working in the agricultural production industry. The Sectoral Determination also applies to a domestic worker employed in a home on a farm and a security guard employed to guard a farm.

growers (typically) are contracted to supply (typically) a corporate entity¹³. The nearest to this situation in South Africa might be the case of small growers contracted to supply sugar cane to a mill, where the corporate entity is also a grower in its own right. As in the case of independent contractors, the relationship between the small-grower and the person supplied is regulated in terms of the contract entered into, and the common law. This will usually mean the contract may be terminated on ordinary commercial terms, even though the small grower is entirely dependent economically on the person whom he or she supplies. Arguably, this gives rise to unfairness. In this and comparable situations in other sectors it may be argued that the current scope of labour legislation is too narrow.

An overview of labour legislation applicable to agriculture

The LRA can be regarded as the one corner-stone of the post-1994 labour dispensation. Its purposes are, amongst others, to provide for orderly collective bargaining regarding minimum wages and other conditions of work, which should preferably take place at a sectoral level, and for the effective resolution of disputes¹⁴. The other corner-stone would be the Basic Conditions of Employment Act (BCEA), which was adopted in 1997¹⁵. The BCEA sets minimum conditions of work that apply to all workplaces, whether or not there is collective bargaining. The BCEA also empowers the Minister of Labour to make sectoral determinations, by way of subordinate legislation¹⁶.

Sectoral determinations are made on the advice of a commission, the Employment Conditions Commission (ECC). The ECC replaced the Wage Board, which fulfilled a similar function in terms of the now-repealed Wage Act (Benjamin & Pretorius, 2011). Although this is not explicitly stated in the BCEA, this function is to set minimum wages in sectors in which workers are perceived to be vulnerable, and in which there is limited or no collective bargaining. However the Wage Board, for reasons already noted, never set minimum wages for farmworkers or the agricultural sector. The first sectoral determination to do so was only in 2003.

The Employment Equity Act (EEA), which was adopted in 1998, is primarily of relevance to enterprises that employ more than 50 workers. These “designated employers” are required to submit employment equity plans. Currently, there is little information available on the application of the EEA in agriculture. It is likely that some employers owning a number of farms choose to sidestep the EEA by registering each farm as a separate legal entity, thus lowering the number of designated employers in the agricultural sector.

Employer and worker organisation and representation

The LRA has given legislative effect to the constitutional right of workers to belong to a trade union. Nonetheless, trade unions represent a very low percentage of farm workers (refer to Section 3 of this section). As a result of a situation in which trade unions are relatively absent, various models of worker representation have been mooted or adopted on some farms. In terms of some ethical trade codes, for example, farmers seeking accreditation are required to have elected worker committees on farms. Various NGOs promote the establishment of worker committees on farms. In terms of the

¹³ This situation has to be distinguished from what the ILO has termed “disguised employment”, where the designation of someone as an independent contractor is a sham.

¹⁴ Section 1, Act 66 of 1995.

¹⁵ Act 75 of 1997.

¹⁶ Section 51, Act 75 of 1997.

model adopted by one such NGO, the Eastern Cape Agricultural Research Project (ECARP), such committees represent both farm workers and farm dwellers (Theron & Visser, 2012). The LRA does not preclude the establishment of such committees in the workplace.

The LRA only applies to employees. Although there is nothing in the LRA that stipulates that a trade union must confine its membership to employees in terms of its constitution, the researchers are not aware of any whose membership is open to workers who are not employees. The benefit of the ECARP model is thus that farm dwellers who would not be eligible for trade union membership can be represented. The NGO also lends a measure of independence to any such committee(s).

The LRA, however, does not cater for any form of organisation or representation other than through a trade union and the workplace forum (WF). The reason the LRA favours trade union organisation is presumably because it is a recognised form of organisation, and the LRA requires that it be “independent”¹⁷. Unless an organisation is independent, it cannot fulfil its representative function.

The institution of the WF in the LRA is intended to promote participative management and joint decision-making. However a WF may only be established at the instance of a trade union, and the trade union movement has by and large been hostile to the idea. Consequently, very few WFs have been established in the economy as a whole. There is also little prospect of WFs being established in the agricultural sector unless there is a change of heart amongst trade unions.

The LRA also provides for the registration of employer organisations. Commercial agriculture in South Africa is extensively organized. AgriSA purports to represent the sector as a whole. There is also organisation within various commodity groups, such as wine and fruit.

Organisational rights

The LRA makes specific provision for certain organisational rights, which a “sufficiently representative” trade union is entitled to exercise. These rights are as follows:

- Access by the trade union to the workplace, which in the case of agriculture is the farm.
- The deduction of trade union subscriptions.
- The right to elect of a trade union representative(s) (commonly known as shop stewards).
- Reasonable time off during working hours to perform the functions of office bearer of his/her trade union.
- The disclosure of relevant information, such as will enable representative to perform their functions or for the purposes of collective bargaining.

The term “sufficiently representative” is not defined in the LRA, except insofar as a trade union must represent a majority of the workforce (i.e., have a membership of fifty per cent plus one) in order to be able to elect trade union representatives and to qualify for the disclosure of information. There is, in other words, no stated threshold a union seeking access or the deduction of trade union subscriptions must meet. This suggests that the intention in respect of these rights was that the degree of representativeness considered sufficient will depend on the circumstances.

¹⁷ Section 95(2) of Act 66 of 1995 defined independence as not being under the control or influence of and employer or employers’ organisation.

While employers may seek to establish what they regard as an appropriate threshold (anecdotal evidence suggests that a threshold of fifty percent plus one is being commonly imposed by farmers), an aggrieved trade union is entitled to refer a dispute about organisational rights to the Commission for Conciliation, Mediation and Arbitration (the CCMA). The CCMA then determines the threshold, by way of arbitration. Although relatively few such disputes have been referred, thirty per cent has been a fairly commonly accepted threshold¹⁸. In some instances the CCMA has held that 19 and 20 per cent can be regarded as sufficiently representative¹⁹. In one case it accepted 2 per cent as sufficiently representative²⁰.

Some commentators have argued that establishing a right of access is important not only for trade unions to become established, but more broadly, in order to establish that farmworkers and farm dwellers have the freedom to associate. Furthermore, they contend that the fact that the farm is private property cannot trump the reasonable exercise of this freedom.

Collective bargaining

The LRA seeks to promote collective bargaining at a sectoral level. The preferred forum for bargaining at a sectoral level is the bargaining council. However the LRA does not provide for a right to bargain, and a bargaining council could only be established voluntarily, by representative trade union(s) and employer organisations.

Currently there are no bargaining councils in agriculture in South Africa. There is also little likelihood one will be established in the foreseeable future. This can be ascribed not only to trade union weakness, but also to strong resistance displayed by organized agriculture and individual farmers to the notion of collective bargaining in the sector due to the diversity of the sector. Some commentators have argued that a system of collective bargaining is the best guarantee against a recurrence of labour unrest in the sector. They further argue that it would make an important contribution in eliminating the elements of paternalism in the relationship between farmers and farmworkers. However to achieve this will require a willingness to develop models of bargaining for which there are currently no precedents. The best prospect for collective bargaining would appear to be where farmers are organised along the lines of a specific commodity.

The Sectoral Determination

The function of the sectoral determination is to determine minimum wages and basic conditions of employment in sectors in which there is little or no collective bargaining. This is an administrative determination. Although it should be preceded by an investigation by the ECC, and members of the public are entitled to make written representations to the ECC, it does not provide the same platform for an exchange views as collective bargaining, and the outcome does not reflect a consensus between worker and employer organisations.

Whereas many provisions of Sectoral Determination 13 (SD 13) simply recapitulate what is contained in the BCEA, and would in an event apply, the BCEA also permits the Minister, in making a determination, to go beyond what is contained in the BCEA. For example it permits the Minister to prohibit or regulate remuneration in kind, piecework and contract work (although this term is not

¹⁸ South African Post Office Limited v Commissioner L Nowosenetz N.O and Others [2013] 2 BLLR 216 (LC); s39 of the LRA; P.T.W.U obo Members v Broubart Security case no.ECP 2410-03 (unreported CCMA decision).

¹⁹ BIFAWU v Land Management (Pty) Ltd case no. GA40128-02 (Unreported CCMA decision).

²⁰ Organisation of Labour Affairs (LOA) v Old Mutal Life Assurance Co (SA) (2003) 9 BLLR 1052 (CCMA).

defined). It also permits the Minister to “set minimum standards for housing and sanitation for employees who reside on their employer’s premises²¹.”

In line with the above provisions, SD 13 limits the deductions which may be made from a worker’s pay to the following:

- a) The supply of food and accommodation to an amount not exceeding 10 per cent;
- b) A loan advanced to the farmworker subject to a maximum of 1/10;
- c) An amount which the farmworker has, in writing, required the farmer to pay to a third party;
- d) As required by law or in terms of a court order;

In addition, the employer is prohibited from withholding any payment from a farmworker, or require a farmworker to pay for his employment or training, supply of equipment, tools or work clothing or impose a fine against the farmworker.

Recapitulating what is contained in the BCEA regarding child labour, SD 13 prohibits the employment in any farming activities of a child under the age of 15, or who is under the minimum school leaving age²². However some provisions are clearly tailored to address farm realities. Thus SD 13 also prohibits an employer from allowing a child who is 15 years or older but younger than 18 to work more than 35 hours a week, after 18h00 and before 06h00 the following day and to work with chemicals.

Unilateral changes to terms and conditions of employment

One of the dangers of a dramatic increase in the minimum wage effected administratively, is that employers will unilaterally change conditions of employment. For example, employers might try and recoup costs for housing or services which were previously provided at subsidised rates, or for free. There is also an increased risk that unscrupulous employers will deduct monies which they are not entitled to. At common law, an employer who changes the terms and conditions of employment of an employee without that employee’s consent is in breach of contract. The employee would then be entitled to sue in the civil courts. However for most workers, and especially the unassisted farmworker, this remedy has no practical relevance.

Accordingly, the LRA provides a further remedy. This is to refer a dispute about a unilateral change to terms and conditions of employment to the CCMA. In such referral, the worker(s) concerned may require the employer not to implement unilaterally the change to terms and conditions of employment, or if they have already done so, to restore the terms and conditions of employment that applied before the change²³.

²¹ See section 55(4)(h), Act 75 of 1997.

²² Section 31(1) of the South African Schools Act (Act 84 of 1996) requires every parent to cause every learner for whom he or she is responsible to attend a school until the last day of the year in which the learner reaches the age of 15 or the ninth grade, whichever is first.

²³ Section 64(4), Act 66 of 1995.

Reinstatement of the status quo is, however, temporary. After a period of 30 days, once the CCMA issues a certificate stating that the matter remains unresolved, the only course open to the workers is to strike²⁴. In the case of unorganised farm workers, for example, or individual workers, this is simply not feasible.

Security of employment

The LRA seeks to provide security of employment by introducing a right not to be unfairly dismissed, and by introducing a cheap and expeditious system for determining disputes about unfair dismissals. This is administered by the CCMA, and applies to all workers in an employment relationship, including farmworkers²⁵. In essence, a fair dismissal must be for a fair reason i.e. for misconduct, incapacity (ill health or poor work performance) or operational requirements, and must be in terms of a fair procedure²⁶.

Where workers are living on farms the consequences of dismissal are probably more far-reaching than in other sectors, both because they stand to lose their house and because they are often resident in comparatively remote localities, where the possibilities of alternative work and alternative housing are limited. It has been suggested that CCMA statistics of dismissals within the agricultural sector are not accurate, since only an estimated 1 in 3 dismissals are disputed (Docrat, 2010).

The right not to be unfairly dismissed is also of limited or no benefit to seasonal workers, who are subject to being laid off at the end of one season, and whose security of employment depends on their being re-employed the next season. In the case of seasonal workers who are employed by labour brokers (or contractors), employment may be terminated by the farmer simply instructing the labour broker not to include any worker he or she does not want in the team. The worker concerned then faces the problem of proving that he or she was dismissed²⁷.

Health and safety

The OHS Act places a general obligation on employers to provide and maintain a working environment that is safe and without risk to the health of their employees²⁸. It applies to the agricultural sector, and as already noted, obliges farmers employing more than twenty employees to appoint health and safety representatives. The other legislation relevant to health and safety on farms is COIDA.

Workers who are injured on duty or who contract an occupational disease can claim compensation for temporary or permanent disablement in terms of COIDA. If workers die as a result of injury on duty, their dependants will also be entitled to claim compensation. Farming is also an occupation

²⁴ In the event that a unilateral variation of terms and conditions of employment by the employer relates to the provision of benefits to the employee, a different course from the above can be taken. Item 2(1)(b) of schedule 7 of the LRA provides for conduct that could lead to a dispute that be resolved through arbitration in terms of Item 4(b) of the same schedule.

²⁵ Section 185, Act 66 of 1995.

²⁶ Schedule 8 of the LRA contains a code of good practice which sets out the principles underlying dismissal on each of these grounds.

²⁷ The onus is on the worker in such a situation to prove that he or she was dismissed. A high proportion of cases referred to the CCMA are dismissed on jurisdictional grounds, which would include situations in which employees have not been able to prove they were dismissed.

²⁸ Occupational Health and Safety Act 83 of 1995 at s1.

which is associated with the use of potentially hazardous pesticides, so it is important both farmworkers and farm owners are made aware of their rights and duties under COIDA.

Unemployment Insurance

The UIA establishes a contributory unemployment insurance fund (UIF). In other words only employees who contribute to the fund (along with their employers) are entitled to benefits, in the event they become unemployed or entitled to the other benefits for which the UIA provides²⁹.

In 2003 the UIA was amended to allow seasonal workers to contribute to the fund. However although the fund has built up substantial reserves, there is no concession to the fact that seasonal workers need to be able to accumulate sufficient benefits in the period they are employed to tide them over the off season. The indications are that many seasonal workers choose to draw benefits every several years, while many do not have their contributions deducted.

Skills Development

The Skills Development Act (SDA) and Skills Development Levies Act (SDLA) institute a scheme which obliges employers to contribute levies in their own right, as well as deduct from workers in their employ, to fund skills development and training. The question that the scheme introduced by the SDA and SDLA gives rise to, in the context of agriculture, is whether farmers and their workers actually benefit from the system of learnerships for which the legislation provides, or any other skills and development programmes provided. Although it is not possible to address this question within the scope of this report, two obvious limitations with the system must be noted.

First, it is common knowledge that most jobs in agriculture are lesser skilled occupations, and there are high levels of illiteracy amongst farmworkers. The intervention that is likely to be of most benefit to workers is one that addresses literacy levels. Secondly, the decision as to how resources available for skills development and training are allocated vest with the Sector Education and Training Authority (SETA) established in terms of the SDA. This is known as AgriSETA. However whereas the SETAs are intended to be tripartite bodies, reflecting the interests of organised labour and agriculture, this manifestly cannot be the case with AgriSETA, because of the dearth of representative organisations.

Security of Tenure

The Land Reform (Labour Tenants) Act (LTA) and Extension of Security of Tenure Act (ESTA) both circumscribe the rights of property owners in respect of farm dwellers³⁰. The LTA seeks to strengthen these rights of labour tenants to use cropping and grazing land on the farm. ESTA, on the other hand, seeks to address the security of tenure of farmworkers and their dependents. This is most commonly under threat when the employment of the farmworker is terminated, for whatever reason.

The question of security of tenure that ESTA seeks to address does not only concern farmworkers and farm dwellers, but all persons who occupy land belonging to someone else. They are referred to in the law as occupiers. ESTA regulates the relationship between occupiers and landowners, firstly, by defining their respective rights and duties; secondly, by establishing when and how occupiers may

²⁹ Unemployment Insurance Act 63 of 2001 at s2.

³⁰ Act 3 of 1996 and Act 62 of 1997, respectively.

be lawfully evicted; and thirdly, by creating opportunities for occupiers to acquire long-term rights to land.

Amongst the rights that ESTA establishes, occupiers have the right to security of tenure, and the right to receive “bona fide visitors at reasonable times and for reasonable periods³¹.” A farm worker has the right not to be denied or deprived of access to water, or to be denied access to educational or health services³². It also sets out the conditions and circumstances under which the right of occupiers to reside on land may be terminated, and the legal process which has to be followed before a farm worker may be evicted.

Ultimately an occupier can only be evicted in terms of a court order, and the process of obtaining a court order is far from simple. It is first necessary to terminate the occupier’s right of residence on a lawful ground. For example, it is not lawful ordinarily to terminate the right of residence of an occupier who is 60 and an employee or former employee. A court must also be satisfied it is just and equitable that an occupier is evicted³³.

The most common ground for termination is where this right of residence arises from his and her employment, and his or her employment is terminated, i.e., a farm worker resigns or is dismissed³⁴. Where the fairness of the dismissal is disputed, therefore, that dispute will first have to be determined. Ordinarily, that will be if the CCMA at arbitration finds in favour of the farmer.

Once an occupier’s right of residence has been terminated, and the owner has not vacated the premises, the owner is then required to give two calendar months’ notice of his intention to evict the occupier (the so-called section 9(2) notice). This notice must be given to the relevant municipality, and the local office of the Department of Land Affairs, as well as the occupier concerned. It must also state the “ground on which the eviction is based”³⁵.

Undoubtedly these steps provide a degree of protection to workers, in that eviction is neither a quick or inexpensive process. On the other hand the complexity of the process also works against the farm worker, who is invariably unable to match the legal and other resources the farmer is able to deploy. The commonly held view is that more farm workers have been evicted subsequent to the introduction of ESTA than before its introduction. Although this does not mean there is a causal relation between the introduction of the legislation and an increase in evictions, it does suggest it has been ineffective.

It has also been ineffective in adequately conceptualising or operationalising opportunities for tenure for farm dwellers both on and off-farm (Hall, 2003). While this may partly be due to a lack of resources, it also seems to be due to a lack of imagination. For example, opportunities could be created for farm dwellers to operate their own small holdings at minimal cost.

Although the LTA also provides a procedure whereby the land-owner can evict labour tenants, the circumstances in which the land-owner can do so are limited. One of the grounds on which a labour

³¹ Section 6(2)(a) and (b), Act 62 of 1997.

³² Section 6(2)(f), Act 62 of 1997.

³³ Section 8(1), Act 62 of 1997.

³⁴ Section 8(2), Act 62 of 1997.

³⁵ Section 8(2), Act 62 of 1997.

tenant may be evicted, for example, is where the labour tenant refuses to provide labour to the owner despite an agreement to do so. However the labour tenant is entitled to nominate someone else to fulfil this obligation³⁶.

The provisions entitling labour tenants to apply for an award of land that he (or less usually, she) is entitled to occupy is of greater practical significance, and the LTA provides a procedure whereby such an application can be made to the Director General of Land Affairs³⁷. However a number of difficulties have to be overcome in order to pursue such applications, including the indeterminate nature of labour tenancy agreements, which are often verbal, and frequently denied by the landowner (Hall, 2003).

Monitoring and Enforcement

The regulations outlined above are all legally enforceable by the state. The purpose of this section is to consider how effectively they are enforced. It is not, however, possible to gauge how effectively regulations are enforced without some form of monitoring of their impact. In the case of ESTA and LTA, for example, the monitoring has clearly been ineffective. As one commentator puts it, “monitoring has been at best chaotic and, at worst, absent” (Hall, 2003). In this instance the responsibility seems to rest squarely on the Department of Land and Rural Affairs.

In the case of labour legislation the responsibility for monitoring and enforcement is the responsibility of the Department of Labour (DoL). The three primary mechanisms for enforcing compliance with labour regulation have been administrative enforcement by the Department of Labour, criminal prosecutions and civil claims instituted by aggrieved employees (Benjamin, 2011). However the CCMA monitors its own compliance with the procedures it administers, such as the procedure for determining unfair dismissal. This also illustrates how the role of the state in relation to enforcement has changed. Although the CCMA operates in terms of a budgetary allocation from the Department of Labour, it styles itself an “independent statutory body”.

This remainder of this section concerns farm monitoring and inspections in South Africa. However the challenges affecting labour inspection in farms cannot be isolated from the challenges affecting the whole process of inspections.

Farm monitoring and inspections

The unit of the DoL tasked with monitoring and inspections is the Inspection and Enforcement Services unit. This unit is responsible in enforcing compliance of not only the BCEA (and with it, sectoral determinations) but also OHSA, the EEA and the SDA.

Inspections are either proactive or reactive. The most common forms of proactive inspections are general inspections and blitz inspections. In a blitz inspection a team of inspectors evaluate compliance with a full range of labour regulation. Reactive inspections are conducted in response to complaints lodged with the inspectorate (Benjamin, 2011).

³⁶ Section 4, Act 3 of 1996.

³⁷ Section 17, Act 3 of 1996.

Statistics on the number of inspections and blitz inspections on farms are readily available in the DoL's Annual Reports. Recent reports indicate that in 2012 the DoL conducted 1338 inspections and 6 blitz inspections in agriculture, surpassing its target of 1 118 inspections (DoL, 2012). However, there is hardly any official information concerning the findings of the inspectors, and the number of inspections must be contrasted with the number of workplaces. According to one study, there were more than 45 000 workplaces in agriculture (excluding producers who use casual and family labour, and which are entirely unregulated) (Greenberg, 2010).

In contrast to the relatively well-resourced CCMA, all indications are that the DoL labour inspectorate are under-staffed and demoralized (Bailey, 2007, cited by Greenberg, 2010). Another study speaks of an inspectorate that was 'woefully inadequate to effectively monitor and enforce the BCEA at the workplaces it [covered]' (Godfrey and Clarke, 2002). An investigation by the ILO concluded that the DoL's 'ability in respect of policy-making, collecting and analysing data, and in giving direction for labour inspections and occupational safety and health' was constrained (Benjamin, 2010).

In 2010 the Department reported that it had taken several steps in revamping the inspectorate into a specialised body (Benjamin, 2010). It also established a national roving team of inspectors that was able to move from province to province within a short space of time (GCIS, 2010). Further prioritisation of labour inspection saw its inclusion as one of the key priorities in the Decent Work Country Programme for 2010-2014 and the Department of Labour's 2011-2016 Strategic Plan. Whether these efforts will result in significant changes to monitoring and enforcement on farms remains to be seen.

The role of civil society in monitoring and enforcement

Where workers are organised, it is the role and responsibility of their trade union to educate members as to their rights, and to ensure they are complied with. The weakness of trade unions in agriculture, and civil society organisations in rural areas, therefore facilitates non-compliance.

On the other hand the success of the NGO ECARP has been directly attributed to the high levels of non-compliance with SD 13 in the Grahamstown area, and the realisation that the DoL had little assistance to offer (Naidoo, 2011). To date ECARP services 52 farm committees in areas around Grahamstown and Sunday's River. With its support, 98 per cent of them have changed some aspects of their working conditions through a process of engagement with the farmer. Although it primarily relies on SD 13 as the basis for its monitoring and enforcement of labour rights on farms, it also takes up other socio-economic issues.

Other forms of regulation and the emergence of private standards

The changing role of the state in relation to enforcement is also reflected in the increased reliance on incentives rather than sanctions to achieve its goals. Probably the most important example of this are the Codes of Good Practice introduced in terms of the Broad-Based Black Economic Empowerment Act (BBBEE Act)³⁸. The incentive is that a favourable rating in terms of the scorecard contained in such codes will translate into the award of government contracts.

³⁸ Act 53 of 2003.

The AgriBEE Code published in terms of the BBEE Act has, amongst its objectives, “the improvement of living and working conditions and promotion of decent living and working conditions for farm workers” and “improving protection and standards of land rights and tenure security for labour tenants, farm workers and other vulnerable farm dwellers and addressing the inherently paternalistic nature of relationships associated with insecure tenure...”³⁹

The private sector counter-part of using incentives to comply with standards are processes of certification, buttressed by private systems of monitoring and inspection, that enable farmers to gain access to markets. Initially these processes of certification were in order to gain access to global markets. However, they have since inspired the emergence of a number of local initiatives, and the development of domestic standards that farmers and other producers are expected to comply with.

This development has been most pronounced in the horticulture sub-sector of agriculture. Horticulture value chains have undergone a process of rapid transformation which has given rise to an increasing number of private standards (Barrientos & Visser, 2012). It has been suggested that these can be into three groups: (i) product standards; (ii) process standards; and (iii) social standards.

GlobalGap was one of the first private standards to emerge globally, when leading European Supermarkets combined to promote a single European process standard covering good agriculture practice (Barrientos & Visser, 2012). Ethical Trading Initiatives (ETI) is another. ETI is an alliance of companies, trade unions and NGOs ‘committed to improving working conditions in global supply chains’, which requires suppliers to comply with the ETI Base Code, a code of labour practice based on international labour standards’ (Barrientos, 2006). Another private monitoring initiative operating in South Africa is Fair Trade, which covered 42 producers as at 2008, most of whom are wine producers located in Western Cape (Fair Trade, 2010). Table 1.25 provides a summary of the private standards in South Africa.

Table 1.25: A summary of private standards in South Africa

Category	Organisation/ Standard
International Multi Stakeholder Initiatives	Fair Trade (2003)
Local Multi-Stakeholder initiatives	WIETA
	Fruit South Africa
International Codes	Global Gap (2001-2)
	ETI Social Audits (2007)
International Supermarket Codes	Tesco’s nature (Nurture) (2004)
	Leaf (Waitrose) 2008-9)

³⁹ Sector Code for Agriculture: AgriBEE, published in notice 1065 of 2012, Government Gazette Nr 36035, 28 December 2012.

(Barrientos and Visser: 2012).

One of the first the local ethical codes to emerge was in response to complaints about the duplication of private standards, and the costs associated with certification. This was the Sustainability Initiatives of South Africa (SIZA) programme. SIZA is not exclusive to fruit and can be applied to the whole of the agricultural sector.

It is argued that the positive aspects of these codes are that they have resulted in greater consciousness in workers of their rights, and improved compliance with labour legislation. In addition, there have been improvements in other areas of the workers lives like housing (Barrientos & Visser, 2012). Yet there are also concerns. The scope of coverage of the codes is by no means universal. Most ethical trade initiatives are limited to export products to the exclusion of other farming activities (Theron & Visser, 2012).

It also does not appear the question as to how standards are set, and to what extent workers and their organisations are involved in the setting of standards, has received sufficient attention. There is an element of paternalism in a notion of labour rights that emanates from an externally imposed code.

It has been suggested that neither state regulation nor private voluntary regulation function effectively in isolation, and a combination of private and public intervention is necessary to address the conditions under which farmworkers and farm dwellers work and live. Yet these two forms of regulation can also contradict one another (Locke, *et al.*, 2013).

Section 1.4: Socio-economic conditions of farm workers

The purpose of this section is to present a review of literature on the socio-economic conditions of farm workers in South Africa. The objective of the review is to identify contemporary themes related to the living and working conditions of farm workers, and that, therefore, may warrant particular investigation in the subsequent case study analysis.

Remuneration of farm workers

Wages are a key component of the workers' remuneration. The wages of farm workers may be determined according to one of several methods, including as (a) the duration of employment (e.g., a fixed weekly wage), (b) the number of time periods worked during that period of employment (e.g., a fixed daily wage for days worked), (c) measures of productivity, such as the number of tasks completed by the individual or the overall productivity of a team of workers, as well as (d) various combinations of the above (e.g., a fixed wage plus a productivity-related bonus). Many farm workers also receive various forms of non-wage remuneration or "benefits", such as free or subsidised housing, free of subsidised food, and free of subsidised provision of services (e.g., refer to Kruger's (2006: 832) study of the Potchefstroom/Ventersburg area). Moreover, the availability and quality (and hence value) of free or subsidised accommodation may vary considerably across farms and also by the employee's work status (e.g., Theron and Visser (2012: 23) found that migrant

workers on Eastern Cape citrus farms are typically accommodated in on-farm hostels). Consequently, comparisons of the value of remuneration of workers can be challenging. Furthermore, piece-rate systems can lead to considerable wage differentials and payment below the minimum wage in some cases.

There is a considerable spread of wages above and below the median wage in each province (Stanwix, 2013: 2). Besides factors such as the supply and demand of particular skills, job status, and the level of responsibility assumed by the incumbent, other determinants of farm workers' remuneration include factors such as labour legislation (e.g., prescribed minimum wages), farm profitability and liquidity (i.e., the financial feasibility of paying higher than minimum wages), as well as various less tangible factors noted by Stanwix (2013: 5) such as the employer's "personal sense of fairness" and the employer's expectation that higher wages may increase worker productivity. Remuneration rates for some jobs in some enterprises may also vary according to the stage of the season. Despite trade unions in the farm sector being weak, Barrientos (2006: 11) identified some instances where unions had negotiated wages for packhouse workers that significantly exceeded the minimum wage at that time.

However, wages earned by famhands and labourers are widely regarded as low relative to what workers require to sustain a decent standard of living. Hall, *et al.* (2013:59) reported that many farm workers interviewed found it difficult to support their families on their wages; whereas ECC (2011/12: 12) found that few children of farmworkers complete school, partially due to the low income of their parents and inadequate provision of social services. ECC (2011/12: 12) also noted that wages of farm workers in 2011 were similar to the social grant provided to pensioners who do not work.

Even though farm workers earn relatively low levels of remuneration (wages plus benefits), the costs of labour to employers are higher due to transaction costs (hiring, firing, human resource management), social costs (e.g. housing and medical services), and risks associated with employment, such as the risk of work disruption due to strike action.

Worker training and promotion

The trend towards farms increasingly demanding relatively more skilled farmworkers is an important and systemic factor, which is likely to change the nature of agricultural employment in future. Barrientos and Visser (2012: 22) found that education and training requirements of some jobs on farms have increased over time. For example, packhouse workers are not only required to work fast, but they also need to understand the need for traceability and food safety standards, but also be able to switch seamlessly between different types of packaging and quality grade requirements (Barrientos & Visser, 2012: 30). Barrientos and Visser (2012: 31) also noted that the demand for middle management on export-orientated fruit farms is increasing with consolidation driven growth in farm sizes.

Generally, farm workers and their families have very limited access to education and other opportunities of advancement and thus lack the skills to engage in the wider economy (Kruger *et al.* 2006: 381). Whilst farm employment offers potential for upward social mobility within the agricultural sector (into the ranks of supervisors, managers, specialist machine operators, etc.), this is often contingent on workers acquiring the necessary skills to take us these opportunities. Moreover, access to training may be gender biased. For example, Kritzinger (1996: 345) found that

while approximately half of all men on Western Cape fruit farms received formal training by means of attending courses, the corresponding percentage for women was only 30 per cent.

Farmers who invest in the education and training of farm employees incur the risk that some of those employees, once skilled, may take up employment opportunities elsewhere. The pressure of labour turnover, therefore, discourages farmers from investing in worker training. Barrientos and Visser (2012: 23), for example, found that farmers are more likely to provide training for permanent workers than seasonal or casual workers, primarily because rates of staff turnover are generally lower for permanent employees (often only 5-15% per annum) than for seasonal workers (up to 40% per annum). Barrientos and Visser (2012: 30) identified the trend of casualization of the workforce on farms in the horticultural industry as being partially responsible for the shortage of skilled farm workers on those farms. They further found that relatively well educated foreign workers from Zimbabwe and Mozambique are often recruited by those farms because South Africans with the skills and education sought after by farmers are increasingly seeking employment opportunities outside of the farm sector (Barrientos & Visser, 2012: 22-23).

A study of 9 Farm Worker Equity Schemes in the Western Cape found that all the project managers emphasised the importance of skills training, and expressed a need for this training to be continuous and preceded by basic literacy training. Projects 1 and 8 both reported illiteracy rates in excess of 40 per cent amongst workers before they became shareholders, but project 1 was the only case study that provided basic literacy training (Knight, *et al.*, 2003: 243).

Workplace health and safety

Workplace health and safety is a critical dimension of working conditions that encompasses several aspects, including the following:

Provision of training and safety equipment for workers using agrichemicals

On horticulture and flower farms, for example, health risks include pesticide poisoning, which, in the case of pregnant women, can lead to child malformations (Barrientos & Barrientos, 2002: 23; Van Rooyen, 2006: 101). The use of pesticides and fumigation can cause allergies and dermatitis. Rother (2008) found that farm workers had very poor comprehension of pictograms on packaging of poisons and pesticides. Zwane, *et al.*, (2011) found that garments of farm workers do not offer adequate protection (Zwane, *et al.*, 2011).

The conditions of migrant workers seem to be particularly poor. For example, a study by Ulicki and Crush (2007: 166) in the Eastern Free State, found that whilst many farming operations use pesticides or poison, only 42 per cent of farm worker respondents said they received protective clothing. Of those who did, nearly one-third stated that the clothing was in poor repair, or that key pieces, such as gloves and face masks, were missing. Nearly 40 per cent of workers used dangerous chemicals and/or machinery, but half of these said they received no training or unsatisfactory training (Ulicki & Crush, 2007: 166).

Sanitary provision for in-field workers.

There has always been a deficiency in sanitary provision for in-field workers, but with intensifying health regulations from European importers, this matter is increasingly being addressed by means of portaloos (Barrientos and Barrientos 2002: 24).

Workrelated injuries.

The physical demands and long hours of work result in muscular pain, lumbago and rheumatism. These are seldom recognised as work-related problems, and it is important to compare reported cases of work-related health issues with actual symptoms experienced by workers, such as muscular problems, psychological problems, stomach problems, skin problems and eye problems (Barrientos and Barrientos 2002: 24). Another issue is travel safety, when commuting from home to work.

According to Barrientos and Visser (2012: 34), private codes have impacted positively on matters of farm worker health and safety. Examples of improvements reported by workers included regular training of sprayers, building of showers for sprayers, provision of mobile toilets in the vineyards and election of health and safety committees.

On-farm or off-farm residence

During the mid-1990s, most farmers and workers still espoused the ideology of 'the farm as family' (a term coined by Du Toit 1991, Du Toit 1993), as illustrated by the fact that more than half of farmers choose to have all or part of their work force living on farm property rather than villages. Reasons provided by workers and farmers for this arrangement were that it makes everybody feel 'part of the farm'; the farmer has more control over his work force; workers are kept away from negative 'outside' influences; and the farmer has immediate access to workers when needed in an emergency. For farm workers, paternalism conveyed some sense of belonging, a sense of identity, the provision of material and psychological security, as well as mutual rights and obligations. Farmers believed that they helped workers solve their problems and showed personal interest in them. Given that housing was provided free, many women farm workers chose to live on farm property. The close proximity of family members and the attractiveness of a rural lifestyle were also reasons for women choosing to live on farm property rather than elsewhere. The towns were seen as being dangerous and full of criminals, particularly for rearing young children. Kritzinger (1996: 343)

Given the changing nature of the economy, as well as new legislation, a new consensus appears to be developing: Mather (2000) found that farmers in Mpumalanga preferred to employ workers who resided off-farm, primarily due to ESTA concerns. Farm workers also preferred off-farm villages, to reduce their dependency on one single employer, and to be able to change jobs without losing their homes (Mather, 2000, Wegerif, *et al.*, 2005). There have also been a number of schemes to relocate and rezone workers villages to municipal areas, freeing owners of the responsibility for service provision and giving residents greater tenure security and access to facilities. State owned forestry company, SAFCOL, embarked on an ambitious programme to transfer the majority of their some 50 forestry villages in the Western and Eastern Cape to local municipalities, albeit with very limited success. A number of other large forestry companies are implementing similar programmes (Clarke, 2012).

Off-farm housing presents a different set of challenges for farm workers, including the challenge of safely commuting to and from work. According to Theron and Visser (2012:10), where a farmer engages a labour broker, it is generally the responsibility of the labour broker to transport his or her team of workers. However where a farmer employs seasonal workers directly, it is the farmer's responsibility to provide transport.

Access to transport is also a problem for many farm dwellers, including children, who need to go to school and participate in social activities, and spouses of farmworkers who may work elsewhere. In a survey in North-West Province, distance to towns and shops and lack of transport were frequently highlighted, which limits farm workers to buying food in the more expensive cafes and smaller shops that are available on or around the farms. This constrains access to and availability of food and negatively impacts on household food security (Kruger, 2006: 833). Most farming communities are located far away from towns, with no public transport system in place. The most common and cheapest ways for farm workers is to walk or to get a lift. This is very time-consuming and sometimes unsafe, especially for women. Transport by private taxi operators is partly available. However, it is very expensive and mostly only used for specific purposes, such as attending a clinic.

Hall, *et al.* (2013) and Sithole (2005: 32) drew attention to a growing pattern of 'split families' amongst on-farm residing farm workers. This old pattern, created under the apartheid-era system of influx control, is being created (and reproduced) in new ways on commercial farms, whereby parents and very young children live on-farm, while older children, siblings, spouses and grandparents stay in towns or villages elsewhere (Hall, *et al.*, 2013: 64). Hall, *et al.* (2013: 64) identified three contributing factors. First, owners and managers have concerns about security, and this gives rise to disputes over who has a right to be on-farm, and over the distinctions between 'family', 'visitors' and 'squatters'. A widespread practice is that women workers may have (small) children stay with them on-farm, but not husbands or boyfriends; in contrast, male workers may have a wife or girlfriend, and children stay with them. Secondly, there are concerns about education, aggravated by the widespread closure of farm schools by the Department of Education. The absence of secondary schools, transport or affordable boarding facilities means that teenage (and even younger) children must be sent away to relatives or friends. Third, there are concerns about the 'bad influence' of teenagers and adults who are not tied to employment relationships; this has led to the eviction of teenage children and young adults, derided as thieves and sexually promiscuous. Interestingly, in the study by Hall, *et al.* (2013), this concern of owners and managers was shared by many of the workers, some endorsing the practice of evicting young people who are seen as outside of the control of either farm management or their parents. According to Sithole (2005:32), requirements that farm workers share accommodation on some farms also encourages farm workers to live apart from their families. Hall, *et al.* (2013) did, however, note exceptions to this trend, including farms that endeavour to provide childcare facilities and schools for the benefit of families of permanent and long-term seasonal workers (Hall, 2013: 65).

Housing

Besides its on- or off-farm location, another aspect of farm worker housing that is important is the quality of housing. The only law that prescribes some basic conditions for on-farm worker housing is Sectoral Determination 13 and its stipulations regarding housing only apply when deductions are made from workers' wages for accommodation. If no such deductions are made, then no minimum standards apply (Barrientos & Visser, 2012: 35). According to Barrientos and Visser (2012: 34) the adoption of private standards has led to improvements in farm workers' housing. The South African supermarket Woolworths also requires farms to meet various standards for their worker housing, with issues including sanitation, provision of warm water, painting of houses, and provision of fire extinguishers. Many authors point to the variability of farm housing conditions in South Africa (e.g.,

Ulicki & Crush, 2007: 165) whilst Barrientos and Barrientos (2002: 25) and Landman (2011: 69) contend that seasonal workers are relatively more likely to live in very poor housing conditions.

There is evidence from a number of studies that land-owners have substantially scaled back in their investments in on-farm housing and services since the early 1990s, and there has been a considerable deterioration in standards as a result (du Toit & Ally, 2003; Umhlaba, 2004; Clarke and Isaacs, 2005; Clarke, 2012). Nonetheless, some farmers and corporate agriculture (including forestry) made considerable investments in worker villages and facilities. In 1997, SAFCOL and the “big 5” (the major private growers at the time) invested some R239.6 million in housing infrastructure, and a further R63 million annually in running costs (Financial Mail Special Report on Forestry, October 10, 1997). Additional investments were made by the State through the capital subsidy scheme for farm worker housing in commercial farming areas run by the Department of Agriculture, and disbanded in 1994 (Umhlaba, 2004).

Nutrition

Concerns have been expressed about the levels of nutrition of farm workers and their on-farm families. In comparison with the diets of urban residents, farm workers have certain deficiencies, but are adequate in other respects. Vorster and Wissing (2000: 512) showed, from a large-scale study of different areas in the North-West Province, that the diets of farm workers tended to be poorer with regards to vitamin intake, but more urbanised people had problems of hypertension, obesity, high cholesterol and undiagnosed diabetes. This reflects lower levels of consumption of fruits and vegetables by farm workers. The farm workers also have the worst mental health profiles⁴⁰, whereas the people from squatter camps and the formal townships had the worst health behaviours (e.g. alcohol intake and HIV).

Some farming areas show better levels of nutrition than others. A study of women aged 18-50 years, employed as farm workers, in the Koue Bokkeveld district, found that all micronutrients, with the exception of vitamin folic acid and calcium, exceeded 100 per cent of the dietary reference intakes in the diet of the participants (Grobbelaar, *et al.*, 2004). Some farms provide free meals a day to seasonal workers, as management found it drastically increased their productivity. One farmer in Mpumalanga has provided vitamin tablets, free of charge, to his farm workers, since 1999, to help combat HIV (Doyer, 2005: 27).

Children on farms are more likely to be stunted and underweight than any other children (Vorster *et al.*, 2000, cited in Sithole, 2005: 17). In a survey in the North-West, 43.6 per cent of all children (n = 241) were either underweight or stunted, and 6.7 per cent of children under the age of 10 years (n = 119) were wasted (Kruger, 2006: 833).

Relatively few on-farm farm workers produce their own food, although some do have vegetable gardens, chickens, or larger livestock. There may be a trend away from food production, but the reasons are unclear. It may be due to a lack of land or resources, although keeping chickens and a small vegetable garden does not require a lot of land and water. It may also be due to ignorance, lack of interest, or a growing desire to purchase food commercially (Sithole, 2005: 43).

⁴⁰ This included anxiety, depression, social dysfunction, somatic symptoms, hostility, impulsiveness, resentment, verbal aggression, lack of a sense of coherence, and poor social coping strategies (e.g. inadequate social networks and religion, etc).

Family health

A report by Medical News (2005, cited in Sithole, 2005: 17) estimated that about 30 per cent to 40 per cent of agricultural workers in South Africa are HIV-positive. Landman (2011: 70) found that in some areas, up to 30 per cent of farm workers tested were HIV positive. High tuberculosis incidences in farming areas have been reported in some farming areas (e.g., Clarke, *et al.*'s (2003) study of the Cape Winelands).

Because of the remoteness of many farms, access of farm workers to medical services is generally poor, including infrequent visits by mobile clinics and waits of several hours for ambulances to arrive (Sithole, 2005: 36). High costs of commuting to visit clinics and consult doctors discourages farm workers from doing so. NGOs, however, can make a major difference. A project on these 211 farms in the Boland area showed that the training of Lay Health Workers (LHWs) on farms made a major impact on the prevalence and treatment of TB. LHWs experienced the project as deeply empowering, and often became role models on the farms. Farmers reported a decline in illness and absenteeism of workers. Illnesses were identified and treated sooner and more effectively (Clarke, *et al.*, 2003). Similarly, an NGO, AgriAids, was formed in 2004 to awareness of HIV/AIDS in farming communities, and facilitating prevention and care campaigns.

As in almost all sectors, the health status of migrant and seasonal workers appears to be most dire. Lesotho government contracts also stipulate that farmers must provide Basotho farmworkers with free medical care (Ulicki & Crush, 2007: 166). The medical care available to migrant Basotho farm workers in the Eastern Free State ranged from clinics on the farm to doctors and hospitals in town. On some farms, workers were immediately dismissed if sick or injured. In the event of illness, many workers receive no wages and only 20 per cent of employers actually pay for medical expenses. Most respondents claimed that medical fees were paid by the farmers but then deducted from their pay. Farmworkers said that rather than forfeiting wages by not working they preferred to work when ill. Furthermore, those farmers who paid for medical costs were selective as to which illnesses were covered. Sexually transmitted diseases were considered 'self-inflicted' by farmers – as were injuries from fights – and were therefore not the responsibility of the farmer.

Some farms have on-site clinics, and these have been in existence for many years (Barrientos & Visser, 2012: 25). Some farms pay their clinic staff and medication. Some workers are expected to pay for clinic services, whereas others receive such services for free (Barrientos, 2012: 26).

Experience in the USA shows that health outreach programmes can make a major difference to the resilience, quality of life, and work prospects of farm workers. Numerous health-oriented NPOs have created special programmes for farm workers. Frequently, "outreach officers" are employed to visit farm workers, provide basic health training, and do health needs assessments. Some valuable examples of teaching aids have been developed. The most important system of health delivery to farm workers is the Community Health Care programme. This programme is tailored to seasonal and migrant work, because it charges migrant workers a very low fee for health services. Of crucial importance is that the Centres are managed by local communities themselves. Over 50 per cent of members of the Centres' Boards are drawn from constituencies who use basic health services, i.e. the poor (including farm workers).

Relationships between farmers and farm workers

Good employer-employee relationships remain very important in the quality of work life of farm workers (Ulicki & Crush, 2007: 170). Relationships vary widely in quality, and probably depend profoundly on the personality of the farmer, as well as customs within a local area. Some farmers have excellent relationships with their workers. However, in a study of Basotho migrant workers in the Free State by Ulicki and Crush (2007: 167), 15 per cent of respondents reported physical abuse (19 per cent of men and 11 per cent of women) and 32 per cent reported verbal abuse (36 per cent of men and 28 per cent of women). Typical reasons for such abuse seem to work-related, and included working more slowly than expected, making mistakes, complaining about work-related issues, and eating produce (Ulicki & Crush, 2007: 167).

Alcohol consumption and social pathologies

Herrick (2012: 148) describes the level of alcohol consumption amongst Western Cape farm workers as a “disaster”. “Disaster” emerges when ‘a significant number of vulnerable people experience a hazard and suffer damage/disruption of their livelihood system’ (Blaikie, *et al.*, 1994: 21, cited in Herrick, 2012: 148). Recovery is compromised because hazards impinge upon household resources, resilience and capacities. ‘Catastrophic expenditures’ associated with alcohol-related harm and poor health are ‘a substantial drain on society’s economic potential by adversely affecting the four main factors of economic growth – i.e. labour supply, productivity, investment, and education’ (Beaglehole, *et al.*, 2011:450–451, cited in Herrick, 2012: 148).

Alcohol abuse lead to actions that have a profound effect on wellbeing including: interpersonal violence; homicide; rape; drink driving; addiction; and co-usage of drugs (e.g. methamphetamine or “tik” in Cape Town). The potential severity and costs of these risks are further compounded by the enormous household and state burden posed by chronic illness and, in particular, Foetal Alcohol Syndrome (FAS) (Herrick, 2012: 1053). In the Winelands, nearly 1 in 15 children suffers from FAS. That's more than 52 times the rate in the United States (Glasser, 2002).

There is encouraging evidence that a number of wine farmers have been both willing and able to eliminate the tot system on their farms. This has largely been through using a developmental approach that invests in human capital (literacy and other training, provision of crèche and recreational facilities, and increasingly participatory labour relations). A pilot project has been launched, involving a multidisciplinary and multi-institutional team, using a broad comprehensive approach (London, 1999: 1412). In two Farm Worker Equity Schemes in the Western Cape, a key variable promoting successful farms was that management had introduced training courses in general life skills such as family planning, budgeting, dealing with alcoholism and overcoming domestic violence. This training, which goes beyond the usual offerings in technical, financial and leadership subjects associated with good governance, was given much of the credit for an unusually strong work ethic amongst worker-shareholders at these two projects (Knight *et al.*, 2003: 239).

Some farms contract in social workers, who offer alcoholism and FAS counselling. Many farms have life skills training, including debt counselling and budgeting, family planning, marriage enrichment, domestic violence, child abuse, stress and depression, computer skills, and training for worker committee members. Some farms have on-farm crèches, where the children receive free meals. Some farms have after-school care facilities. This has led to a direct improvement in the productivity of working mothers (Barrientos, 2012: 26). Organisations such as the Citrus Growers’ Association,

Hortgrow and the SA Table Grape initiative have begun to fund social development interventions. Hortgrow, for instance, has developed a wellness programme that employs social workers, live theatre and DVDs to educate farm workers about HIV/AIDS, overcoming drug dependencies and life skills. Its Support Care Worker Programme trains farm worker volunteers to establish a social and health support network in their communities (Barrientos & Visser 2012: 32).

Problems of rampant alcohol abuse amongst farm workers are not unique to the Western Cape. In a survey in the North-West Province, (Kruger, *et al.* 2006: 834), 83 per cent of male respondents indicated that they use alcohol regularly, as did 64 per cent of female respondents. However, 21 per cent of respondents perceived alcohol to be a cause of aggression and fights, and 9 per cent of respondents pointed out the financial implications of alcohol. In focus group discussions, some women pointed out that men have a preference for buying alcohol instead of food, and that as a consequence of alcohol consumption violence and fighting occurs, especially on weekends. Children unanimously agreed that the alcohol use of their parents compromises their food situation, pointing out that often there is no money for shoes or school fees and they do not have enough food because their parents spend the money on alcohol (Kruger, *et al.* 2006: 833).

Foreign workers

Some of the most vulnerable farm workers are foreigners, who either work legally or illegally in South Africa. Serious malpractices occur, as documented by Ulicki and Crush (2007). Another aspect of the situation of foreign workers is that it is prone to generate xenophobia, for a range of reasons. For example, the De Doorns violence from 14-17 November 2009 resulted in the forceful displacement of an estimated 3000 Zimbabweans and the destruction and looting of their dwellings by their South African neighbours (Misago, 2009). According to Misago (2009), Zimbabwean workers had been moving into the area rapidly, due to a Home Affairs office opening in the local town. They secured work permits via an alleged abuse of the asylum system. South African workers alleged that commercial farmers preferred Zimbabwean workers, who were more willing to accept long hours and poor overtime pay. The conflict was allegedly orchestrated by South African labour brokers, who wanted to drive out Zimbabwean labour brokers. The South African labour brokers seemed to be affiliated to local municipal councillors. The SAPS did not act firmly against perpetrators of violence, and appeared to be implicated in the xenophobic violence; and

Section 1.5: The financial position of South African agriculture

In this section recent trends in the financial position of South African agriculture, in general, are identified and discussed using data provided in The Abstract of Agricultural Statistics, 2014 (Stats SA, 2014). The purpose of the discussion is to provide context for the study on “the affordability” of providing good living and working conditions for farm workers. It is important to note that the discussion is focused on the average position of the sector and does not reflect the distribution in financial positions of South African farms. Debates on the ability of farms to afford higher wages, for example, should take cognizance of the heterogeneity of financial health of farms in the sector at any particular point in time.

Solvency

Solvency refers to the ability of a business to meet its debts in the long-run. The Debt/Asset ratio is a conventional measure of business solvency. In general, if the debt/asset ratio of a business is less than 0.3, solvency is considered to be healthy. However, if the average farm debt/asset ratio equals 0.3, it is likely that the solvency position of some farms will be good and some farms will be poor – the average statistic on its own provides no information on the variation in solvency within the farm population.

Figure 1.3 shows the capital structure of South African agriculture over the past 33 years. The value of farm assets are shown in real (ie., inflation-adjusted) terms using 2005 prices, divided into the proportions financed using debt and equity capital. The value of assets equals the sum of equity and debt. In real terms the value of assets in agriculture declined rapidly from 1980 to 1992, but continued declining until 1999. This decline was primarily due to a decline in the real value of farmland over that period. From 2000 to 2013 the real value of assets increased, however, the real value of assets in 2013 less than 53 per cent of the real value of assets in 1980. The Debt/Asset ratio trend shows that the solvency position of the farm sector declined from 0.14 in 1980 to 0.29 in 1986. From 2000 to 2008 it fluctuated with between 0.23 and 0.32. Over the past five years, the average solvency position of farms declined further with the debt/asset ratio exceeding 0.35 in 2013. This recent movement was due to growth in debts outstripping growth in assets. In summary, the solvency position of the farm sector is currently at its worst position for over three decades, assuming that aggregate balance sheet information used in the analysis is accurate.

Liquidity

Liquidity refers to the ability of a business to meet its cash-flow commitments as they fall due. Cash is the “life-blood” of a business, so poor liquidity is associated with high risk of being unable to continue business activities. Liquidity and solvency are related because, *ceteris paribus*, as debt increases, so debt-servicing commitments increase, especially if nominal interest rates are high. Liquidity tends to vary according to the production cycle of the business, and is therefore difficult to measure using annualized data. Figure 1.4 shows that fortunately interest rates facing the farm sector are currently at their lowest levels in four decades. Nonetheless, small increases in interest rates may have a large detrimental impact on the liquidity position of highly leveraged farm businesses. Figure 3 shows that net farm income measured in 2005 prices generally declined from 1980 to 1999, but generally increased from 2000 to 2012.

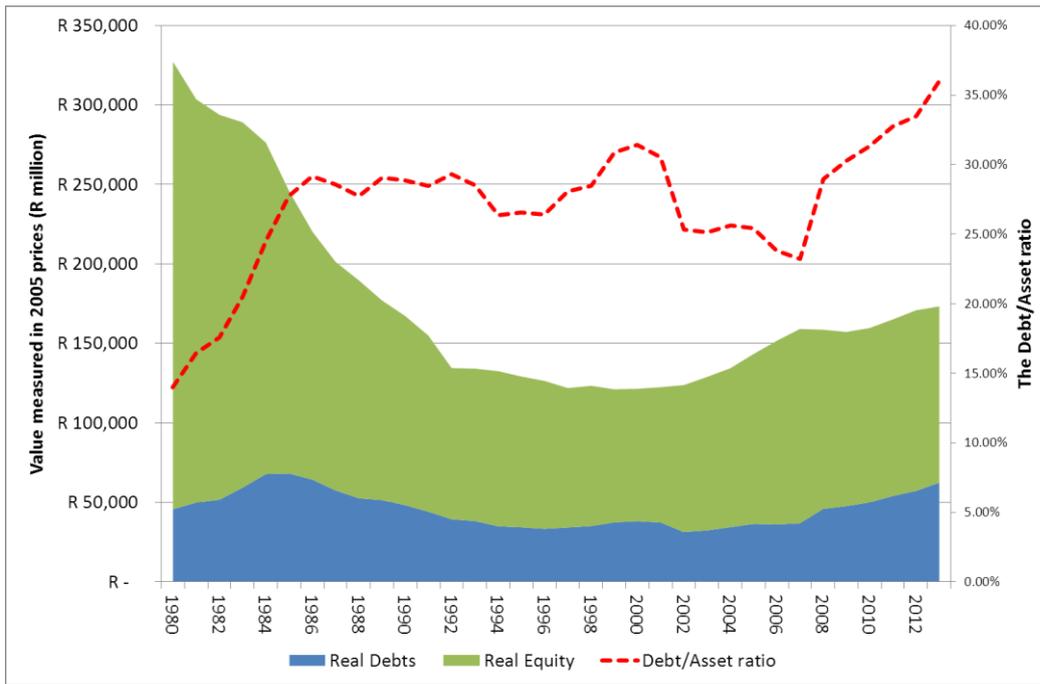


Figure 1.3: The capital structure of South African agriculture, 1980-2013.

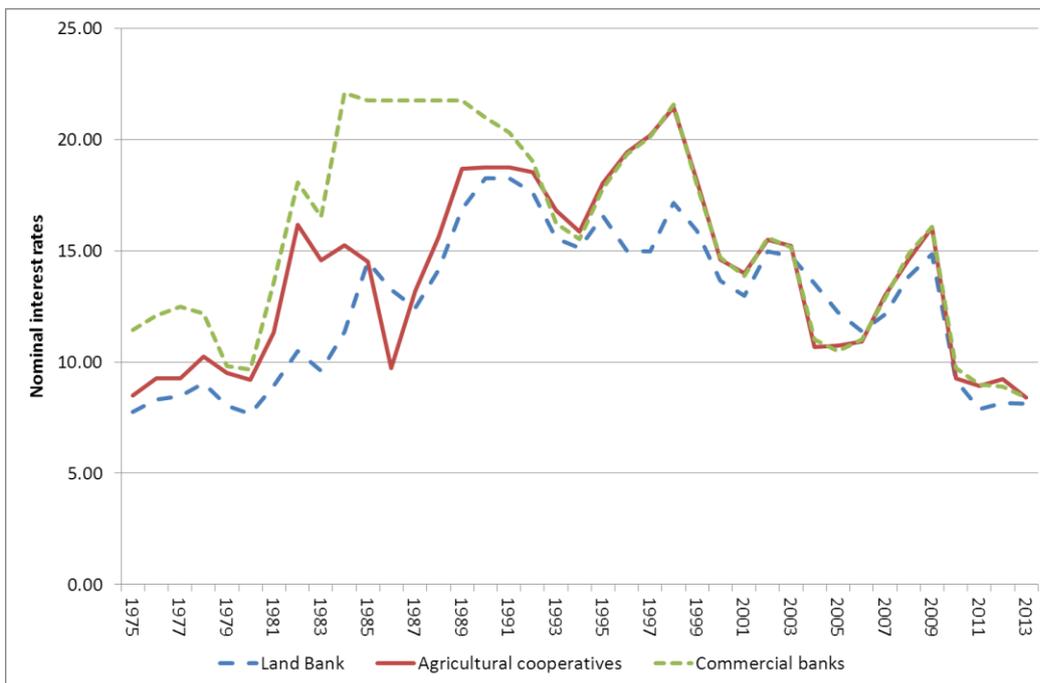


Figure 1.4: Nominal interest rates, 1975-2013

Importantly, the interest rate trend lines reflect that state subsidization of loans to farmers via the Land Bank during the 1980s, in particular, had been discontinued by the early 2000s. Therefore, over the past decade farmers have been more exposed to financial risk than they were previously. Growth in real income is also likely to be associated with improved business liquidity. Other factors, however, such as the implementation of a land tax on commercial farms under the Local

Government Municipal Property Rates Act No. 6 of 2004 will have impacted negatively on aggregate liquidity of the farm sector.

Profitability

Profitability refers to the relative profit performance of a business, enterprise, or other operating unit. Figure 1.5 shows that after adjusting for inflation, aggregate net farm income (a measure of profit before deducting foreign factor costs) declined from the early 1970s until the late 1990s. From 2000 until 2012 aggregate net farm income, in real terms, tended to increase. Currently, aggregate net farm income in the farm sector exceeds the peak levels of the early 1970s in inflation adjusted terms. A conventional measure of profitability is to relate net farm income to the value of assets invested. This measure is known as the Rate of Return on Assets (RoA). The RoA trend shown in Figure three reflects the detrimental impacts of drought on the average RoA in 1983, 1992, 1999 and 2004 and 2010. It also shows an upward trend and increased variability in RoA from the late 1990s to 2012. Rates of return on assets are currently high. Although the trend suggests that the profitability of the sector is increasing, it could also reflect that the values of assets may be understated for some years in the data used for the analysis.

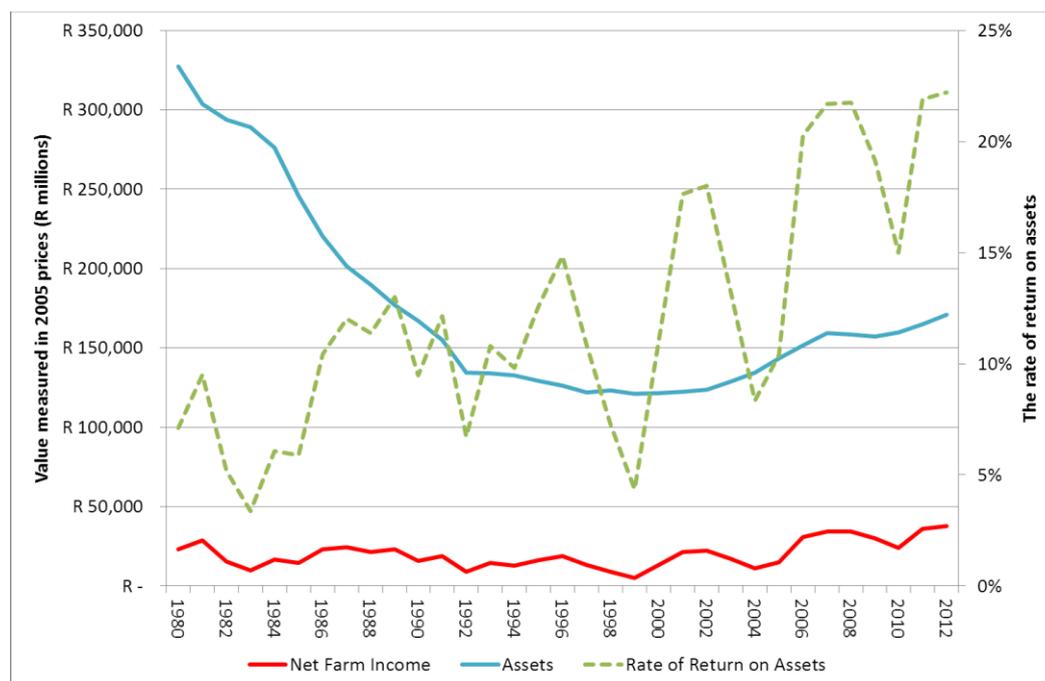


Figure 1.5: The rate of return on assets in South African agriculture, 1970-2012

Growth

Rates of growth refer to how fast changes in size occur over time. Hence measures of size and growth are closely related. Financial measures of growth, such as growth on gross income or growth in equity, provide useful measures of comparison of size of farms with different operating characteristics. Financial measures of also provide useful measures of growth of the sector. For example, growth in the real value of equity capital invested in the farm sector reflects (a) either appreciation in the value of existing assets in the sector and/or (b) increased investment in the farm sector. The rate of growth in equity is therefore positively related to the financial health of the

sector. Figure 1.6 reflects predominantly negative real growth in the value of assets and equity in the farm sector from 1980/81 until 1991/92 and zero or slightly negative from 1992/93 until 2000/01. Thereafter, growth was moderately positive, averaging about 5 per cent per annum for the period 2001 to 2007. Growth dipped below zero during the financial crisis of 2008, but recovered to exceed zero from 2009/10 to 2011/12.

In general, the data used in the analysis reflects generally unhealthy growth in the real values of assets and equity capital invested in the farm sector for the period 1980/81 to 2011/12; however, growth has been relatively more favourable over the past decade. Low estimates of growth may be due to undervaluation of the value of assets invested in the farm sector.



Figure 1.6: The inflation adjusted rate of growth in aggregate assets and equity capital in the farm sector, 1980/81-2011/12

In summary, trends in the aggregate financial health of the farm sector in South Africa are generally negative for the period 1980-2013. During this period growth in the value of assets and equity invested in the farm sector was negative, and the solvency position of the farm sector dedined. However, the profitability of the sector increased. Although growth in the real values of assets and equity was generally positive over the past decade, growth in debts was higher, resulting in declining solvency. The profitability trend, however, is positive. However, both the dedining solvency and increasing profitability of the sector could be attributed to the value of assets being understated. It is not possible to draw strong conclusions about liquidity trends in the farm sector from the available data.

Trends in the financial health of farms by commodity type

Considering the diversity of the sector, it is likely that there is considerable variation in trends in the financial health of individual farm businesses in South Africa. Figure 1.7 shows that growth in

income and growth in costs have varied by commodity, with growth in gross income from horticultural crops outstripping growth in gross income from field crops, for example. Figure 1.8 shows that in inflation-adjusted terms, prices of agricultural commodities tended to decrease from the early 1970s until 1999 for horticultural commodities and animal products and 2000 for field crops. Thereafter, real prices have tended to increase, notwithstanding a dip in the real prices of field crops, in particular, in 2005. Figure 1.9 shows that the volume of agricultural production showed strong growth for animal production and horticulture, but only weak growth for field crops for the period 1975 to 2013.

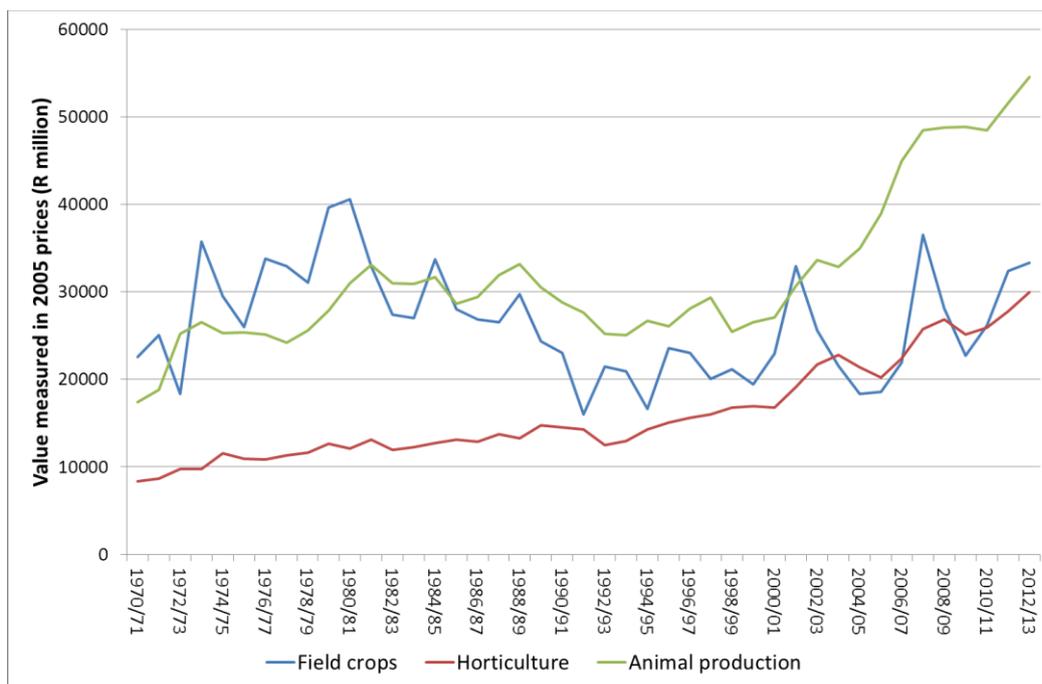


Figure 1.7: The real value of production in South African agriculture by commodity type, 1970/71-2012/13

Financial performance is not only dependent on the major commodities produced, but also on the capital structure of farm businesses and the production technologies adopted, amongst other factors. Figure 1.4 reported on interest rate trends in the farm sector. Figure 1.10 shows the inflation adjusted price trends of selected farming requisites over the past four decades. Real prices of fertiliser, fuel, farm feeds, and maintenance and repairs increased during the 1970s, reached a peak in the early-1980s, and then declined again until the mid-1990s. Prices of these requisites increased in real terms over the past 17 years. Growth in fertiliser and farm feed prices was particularly high since 2005. Prices of crop protection and animal health products were lower in inflation adjusted terms in 2013 than they were in the early 1970s. Despite this favourable long-term price trend, real prices of crop protection and animal health products were 40 percent higher in real terms in 2013 compared to 2005. In summary, the prices of most farming requisites have outstripped the general level of prices in the economy, especially over the past decade.

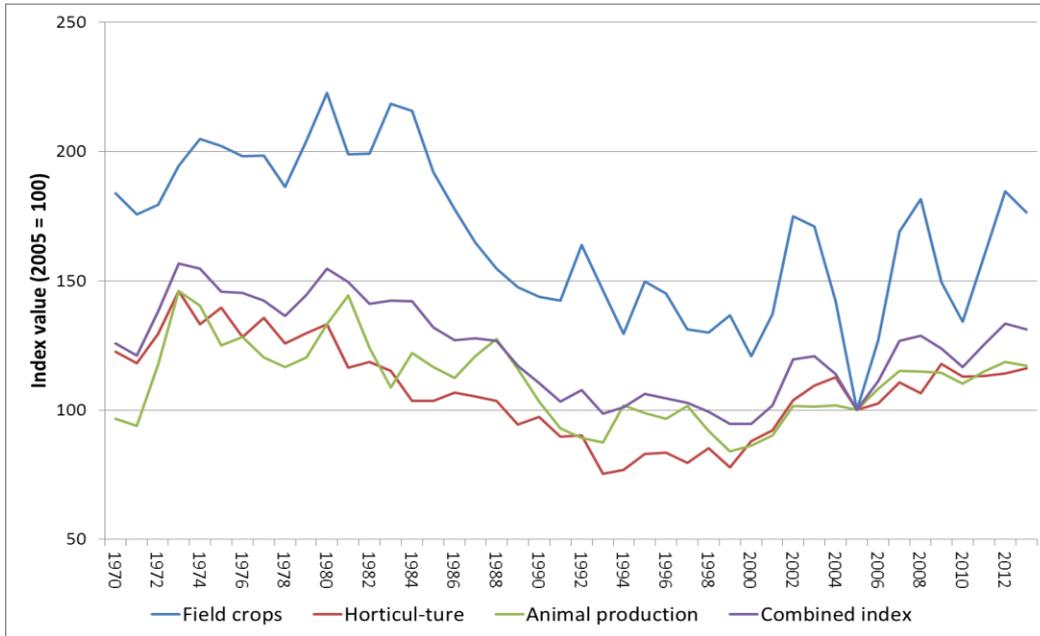


Figure 1.8: Inflation adjusted indices of producer prices by commodity category, 1970-2013

The analysis presented in this section reflects that over the past four decades, increases in levels of production have been offset by increasing real prices of farming requisites and decreasing real commodity prices. Over the past decade the increase in real prices of farming requisites has been particularly severe, however, real producer prices have also increased in real terms over that period. It is likely that margins per hectare have declined in real terms for at least some commodities. The financial position of farms for selected commodities is discussed in more details in a subsequent section to provide context for the ten case studies.

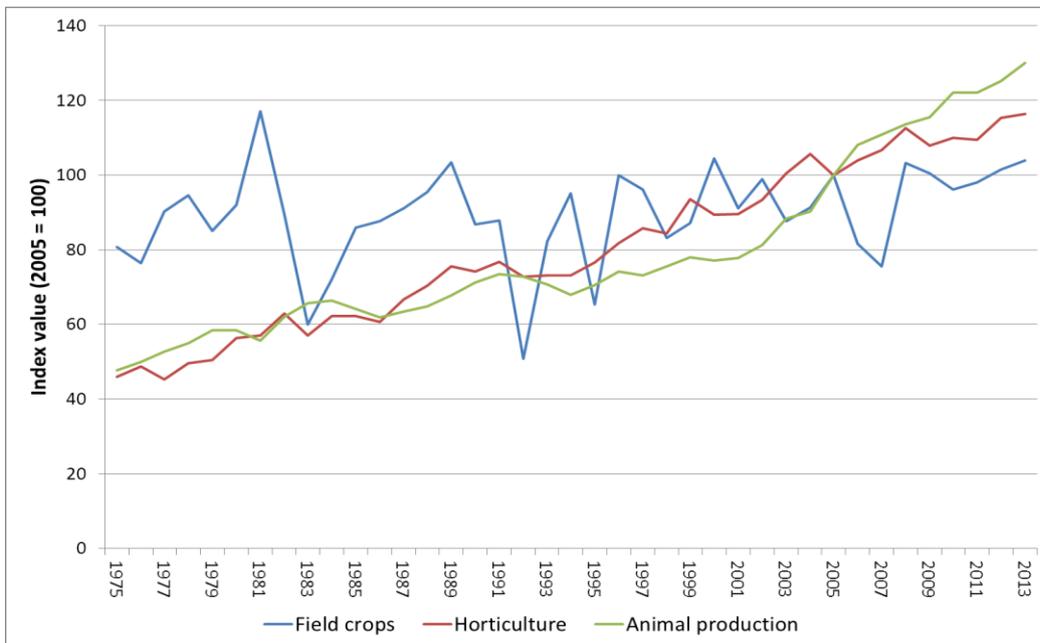


Figure 1.9: Indices of the volume of production in the agricultural sector by commodity category, 1975-2013

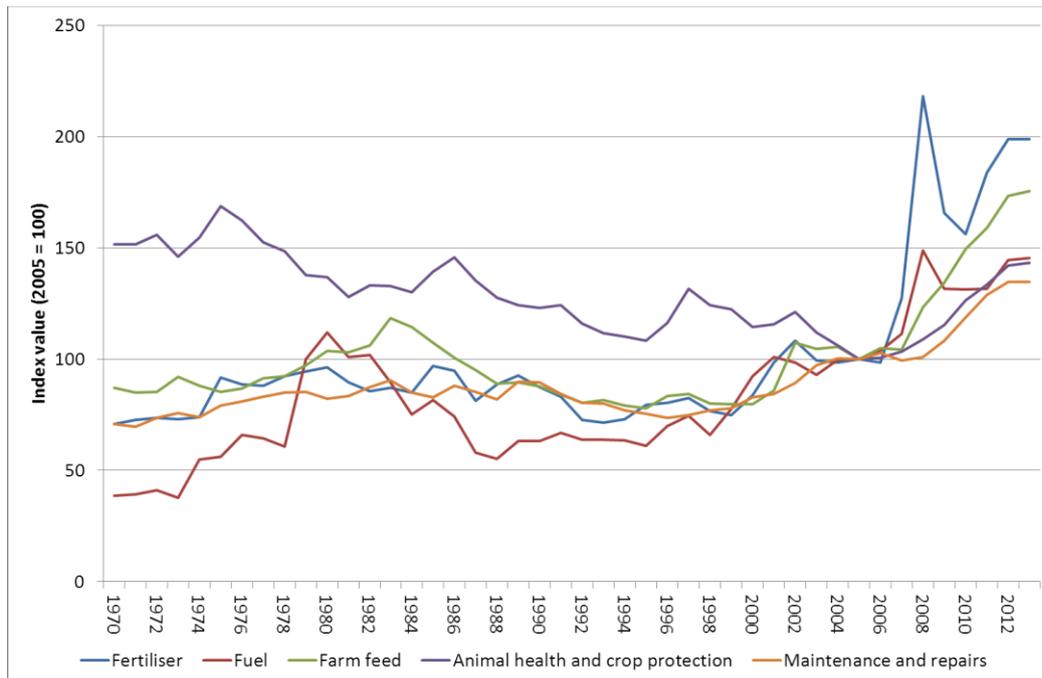


Figure 1.10: Inflation adjusted price indices for selected categories of farming requisites, 1970-2013

Section 1.6: Tenure Security and Evictions of Farm Dwellers

Introduction

Tenure security and farm evictions are topics at the centre of the ongoing national debate on the living and working conditions of farm workers and farm dwellers. They are the subjects of highly polarised views in an arena of competing claims for legitimacy. Increasingly, however, there has been a reframing of the debate and the challenge facing society. Whereas previously the focus of government and its civil society partners was on securing on-farm tenure, the broader developmental challenge of securing homes, livelihoods and access to services for farm dwellers, both on and off farm, has now come into view. This in turn has brought new questions to the forefront about the roles and responsibilities of the State versus farm owners, and drawn attention to the need for dialogue and cooperation amongst government, civil society and organised agriculture.

This section aims to contextualise displacements and evictions within the framework of restructuring and modernisation that has taken place on farms since the 1980s. Evidence for the extent of evictions and displacement is reviewed, along with assessments of the shortcomings of the State's attempt to secure tenure for farm dwellers through the use of legislation. Finally, the paper summarises policy interventions proposed in the literature, and where these exist, experiences of implementation of alternative approaches to secure sustainable housing, service delivery and livelihoods for farm workers and farm dwellers.

Historical legacies shaping farm tenure and working conditions

There is an extensive literature on the ways in which the historical forces of colonisation, slavery and apartheid shaped labour relations on farms, and the working and living conditions of farm workers. Atkinson (2007) presented an excellent and detailed overview and identified four theoretical frameworks used to deconstruct what she terms the 'unfree labour system' that arose on farms prior to the 1970s. She made the point that all four of these perspectives are helpful in understanding the current complex realities on farms. The unfree labour regime that pertained on farms prior to the onset of modernisation in the 1970's was characterised by:

- Paternalist labour relations that arose out of land dispossession and slavery;
- Large unskilled labour force with low level of education and ill equipped for life outside the farm;
- Low wages, partially offset by the 'reciprocal bonds of paternalism' that provided access to housing, land for cultivation and grazing, food rations, etc.;
- Insecurity of both employment and tenure, dependency on the farmer for employment, housing and frequently to arable and grazing land; and
- Large populations of farm dwellers in certain areas, the remnants of share cropping and labour tenancy arrangements.

These characteristics have been subject to forces of change over the past several decades, and have been transformed, to a greater and lesser extent, through the impact of the ongoing process of modernisation and restructuring that has been underway since the middle of last century.

Transitions in on farm labour relations, employment and tenure 1970 to the present

Agricultural production and labour relations in South Africa began to be reshaped through onset of modernisation during the 1970's and 80's. Political transition in the 1990's ushered in further far reaching transformations in the sector. This section aims to contextualise displacements and evictions within the framework of processes of restructuring and modernisation that have taken place on farms since the 1980s. These processes have profoundly reshaped agricultural production, labour relations, and livelihoods of farm workers and farm dwellers. Whilst the primary influences and drivers of change in agriculture in South Africa have been identified and discussed in previous sections of this chapter, this section examines the resulting trends in production modalities and the impacts on employment, housing, and rural/urban demographics.

Trends in production

Change in land use reflect changes in the relative profitability of competing land uses. This may arise due to changes in input or product prices, changes in production technologies, changes in access to markets, etc. For example, the increase in horticulture and viticulture in the Western Cape is a prime example of the shift to production of higher value export crops (Burnstein, 2013; Wisborg, *et al.*, 2013). Change in land use is often, although not always, associated with job losses. Brandt and Spierenburg (2013) found that the conversion of agricultural land to game farms in the Eastern Cape is reshaping rural areas and displacing workers from the farms where they have lived, swelling the ranks of the unemployed in small rural towns. Another key land use conversion has been from crop and livestock production to game farming and tourism (Wegerif, 2005; de Satge, 2013).

There has been a steady increase in agricultural mechanisation in South Africa since the 1970s (Atkinson, 2007) with concomitant job losses. For example, in timber harvesting, a single mechanical harvester replaces 100 jobs and mechanisation of harvesting to the extent possible will result in an estimated 30% reduction in forestry labour amongst large growers (Clarke, 2012). Likewise, wine harvesting machines replace as many as 70 workers per 12 hour shift (de Satge, 2010). There was a rapid uptake of mechanisation in the wine sector in the 1990s, and the switchover is still continuing (de Satge, 2010). Overall, South African agriculture is still considerably more labour intensive than USA and Japan (Burnstein, 2013).

Impacts on employment

Section 1 of this chapter had documented the decline in employment on farms in South Africa. Job losses are key driver of displacement from farms (Wegerif, *et al.* 2005), although a number of other factors also play a part. Vast movement off farms is worldwide phenomenon associated with dwindling work opportunities and low wages in rural areas compared with urban areas, associated with the growth of manufacturing and service sectors (Atkinson, 2007).

In addition to ongoing job losses, another direct consequence of agricultural restructuring in South Africa has been contraction of the 'core' workforce employed on permanent contracts, and an expansion of the 'non-core' or 'peripheral' workforce employed on a fixed term basis (du Toit and Ally, 2003). In addition, there has been a trend towards labour outsourcing through the use of labour brokers and contractors (du Toit and Ally, 2003; Theron, 2010; de Stage, 2010). Although a general trend towards externalisation is evident throughout the sector, the extent varies considerably amongst sub-sectors/commodities, between areas and even from farm to farm. Labour outsourcing, or externalisation as it is sometimes termed, has been a major trend within forestry since the mid-1990s, with 81 per cent of workers working on corporate plantations engaged by contractors, and only 14 per cent in direct permanent employment (Clarke, 2012). In general, externalization of the workforce is associated with the movement of workers off-farm.

Demographic Impacts

The movement off farms and into urban areas is the most significant trend within urbanisation dynamics in South Africa (Todes, *et al.*, 2010). Rural to urban migration is a feature of all developing economies and at a broad level, is associated with modernisation of agriculture and the growth of industries and services sectors in urban areas (Atkinson, 2007). In South Africa, various other push and pull factors have been influential in urbanisation trends. Prior to the 1980s influx control measures were still in place to prevent landless black workers migrating to towns where wages were higher, artificially keeping labourers on farms (Atkinson, 2007). Since the 1980s there has been rapid movement off farms, responding to the pull of better-paid jobs and services in towns and the push of job losses and evictions. The loss of employment has been identified as the main cause of displacement off farms (Wegerif, *et al.*, 2005).

The national eviction survey found that the majority of displaced people moved to settlements in and around urban areas, and more than three quarters were women and children. A majority of adult evictees had lived on farms for 10 or more years and had no schooling, or only elementary level education, and were ill equipped for off farm employment (Wegerif, *et al.*, 2005). Relocation to townships and informal settlements in and around urban areas, often to the nearest small town has led to very rapid population growth in townships and squatter settlements, where municipal services

are already overburdened and demand for housing far outstrips supply (Wegerif, 2005; Atkinson, 2007; Todes, 1999, and Cross *et al.*, 1997). The centre for Development and Enterprises linked the 2005 service delivery protests to these pressures (CDE, 2005 cited in Todes *et al.*, 2010).

Migration patterns add a further level of complexity and causation to movement on and off farms. There exist long established patterns of circular migration associated with seasonal work and movement to and from former homeland areas to farms (Todes, *et al.*, 2010). A distinction needs to be drawn between regular migration patterns such as these, and permanent displacement. Since the start of the political crisis in Zimbabwe, there has been a massive increase in regional migration to farms countrywide, but in particular to Limpopo (Wisborg, *et al.*, 2013). The in-migration of Zimbabweans and other nationals adds to existing market pressures towards flexible and insecure labour arrangements (Wisborg, *et al.*, 2013).

Farm evictions and displacement

According to findings of the 2011 National Census reported in Section 1, there remain more than 2.7 million two million people living on privately owned land in rural areas of South Africa. These comprise farm workers, dependents of farm workers and others who may or may not be employed on farm but have land rights, including access to arable and grazing land, arising from historical quasi-feudal relationships of share cropping and labour tenancy. Although accurate statistics of numbers of people, disaggregated by category and province are not available, it is clear that old order on farms has been breaking down rapidly under the influence of modernisation, labour and tenure security laws and economic pressure. Wisborg, *et al.* (2013) provide a detailed account of the 'transition from independent tenure to employment' on farms in Limpopo, and the breakdown of informal arrangements allowing farm dwellers to keep livestock and grow crops/vegetables. Alongside this has been a trend towards more formalised housing with payment for rental and services and access restrictions (Wisborg, *et al.*, 2013). Informal, non-cash based arrangements involving housing, labour and tenure are giving way to formalised cash based ones, and increasingly to movement off farms, as farmers cut back and even do away entirely with housing and tenancy arrangements on farms.

Extent of farm evictions and displacement 1984-2005

There is a single source of quantitative information on the extent of farm evictions; the National Evictions Survey (Wegerif, *et al.*, 2005). The survey focused on the period 1984 to 2004, and attempted to quantify and describe evictions, as well as to look at causal factors. Quantitative estimates were derived using a sampling methodology on the basis of interviews with residents in off-farm settlements. In addition, in-depth interviews were conducted with evictees, farmers and key informants to generate qualitative information about experiences, impacts and causes of eviction.

Notable findings of the survey were firstly the magnitude of displacements and evictions (3.7 million people displaced between 1984 and 2004, of these an estimated 1.7 million were evicted) and secondly the fact that numbers of displaced and evicted people did not decline during 1994-2004 after the introduction of measures to provide tenure security for farm dwellers.

Table 1.26: Estimated total number of people displaced and evicted from farms, 1984-2004.

	Displaced from farms	Evicted from farms
1984 to end 1993	1 832 000	737 000
1994 to end 2004	2 351 000	942 000
Total	4 183 000	1 679 000
Now on other farms	469 000	93 000
Permanently off farms	3 716 000	1 586 000

(Source: Wisborg, *et al.*, 2013 citing Wegerif, *et al.*, 2005)

The survey also revealed clear peaks in numbers of evictions in certain years, based on the annual eviction and displacement estimates. The main peaks were in 1984 and 1992 following severe and widespread droughts. There were also peaks in 1994 corresponding to when the new government came to power, in 1996-1997 corresponding to the introduction of tenure security legislation (ESTA, LTA), and in 2003 when minimum wages were introduced. The authors concluded that the primary cause of evictions and displacement from farms is loss of employment. Almost 70% of evictee families gave loss of employment as the reason for having to leave the farm. All of the areas where farm evictions were high were areas where farming was under economic stress. Likewise, eviction peaks occurred in years of elevated economic stress – drought years, followed by when minimum wages were introduced.

Farm evictions and displacement since 2005

Since the National Evictions Survey, there have been no subsequent attempts to quantify and document farm evictions and displacements on a national scale. A literature search and a trawl of websites of land rights organisations show a marked falling off in research and monitoring of farm evictions. AFRA's Evictions Monitoring Programme was closed down in 2005, and with exception of the recent court challenge issued to the Minister of DRDLR for failing to process labour tenants applications for access to land , has scaled back almost entirely on their work with labour tenant communities in KZN. AFRA and the other land rights NGOs that were at the forefront of farm eviction monitoring and activism have recently formed an umbrella organisation called Tshintsha Amakhaya and broadened their focus to enhancing 'rural people's capacity to secure and realise their livelihoods and rights'. Although security of tenure for farm dwellers remains on the agenda, it is part of a much wider focus on livelihood security amongst a wider group of rural constituents, including those displaced from farms and living in informal settlements in and around urban areas.

In their baseline survey of livelihoods, rights, and land use in selected sites in the Eastern Cape, KwaZulu-Natal, Limpopo, and Western Cape (Tshintsha Amakhaya, 2011), the organisation identified the need for support to labour tenants in KwaZulu-Natal, of whom 48% said they faced the threat of eviction. Farm workers living on farms in the Western Cape also reported threat of evictions, although to a less extent (only 13% of respondents).

Since the farm worker strikes and introduction of the new minimum wage for farm workers in December 2012, there are a growing number of reports of a harsh backlash against farm workers and their organizations, including a spate of dismissals and retrenchments, and of farm evictions and lockouts (Andrews, 2013).

The decline in reporting on evictions and the broadening of focus of land rights NGOs suggest that the challenges have indeed shifted, and that although evictions are continuing on a sporadic and dispersed basis, the movement off farms may to a large extent have already happened. More significantly, it is now abundantly clear that the movement off farms is part of an entire process of transition on farms, and past efforts to stem the tide through the introduction of tenure security laws were at best futile, and at worse led to an increasing rate of evictions. A summary of tenure security law, implementation challenges and unintended consequences, is presented in the next section.

ESTA and LTA

The focus of State interventions post 1994 to protect tenure rights has been on preventing eviction through legal means. The Labour Tenants Act (LTA) was passed in 1996 and the Extension of Security of Tenure Act (ESTA) in 1997. There is a consensus in the literature that this legislation has failed to achieve the objective of reducing farm evictions and promoting tenure security for farm dwellers. There is also broad agreement that aspects of the Act have provided reverse incentives, encouraging pre-emptive evictions, greater use of off farm contract labour in place of permanent on-farm jobs, and disinvestment in housing and services (Hall, *et al.*, 2001; Atkinson, 2007; SAHRC, 2008). Some have noted through making provision for legal eviction, it has opened the door to eviction and a diminishment of rights over time (AFRA, 2011). At a more fundamental level, Atkinson (2007) argues that immeasurable harm has been done to the 'social compact' on farms through a litigation-based approach that is inherently adversarial.

Numerous problems with the exercising of ESTA and LTA rights have also been identified. Farm dwellers lack of awareness of their rights and insufficient provision has been made to address this (Hall, *et al.*, 2003). There have also been barriers to securing of these rights. As the protections are legal in nature, they require legal expertise to make effective use of them. Until relatively recently, no provision was made for legal counsel for farm dwellers, even after a court ruling confirming occupiers' rights to such at State expense (Hall, *et al.*, 2003). Failures on the part of the justice system have also been noted, as a result of entrenched attitudes and lack of training of police and magistrates. Farmers, on the other hand, with their superior access to legal recourse, have been better able to make use of the legislation to carry out legal evictions (Hall, *et al.*, 2001, AFRA, 2007). Other authors, notably Atkinson (2007), go further and contest the very idea of punitive measures to secure tenure for farm workers. She argues that more social good would be achieved through incentivising on-farm housing and services and making provision for the inevitable movement off farms through investing in farm dweller education and training and in infrastructure provision off-farm.

Developmental provisions within both ESTA and LTA, aimed at strengthening farm dwellers land rights through securing ownership of land have hardly been used, another significant implementation failure (Hall, *et al.*, 2003). ESTA did make provision for farm worker settlement grants but these were difficult to access because of constrained budgets and circumscribed conditions for eligibility (Atkinson, 2007). Although there are examples of off farm schemes to provide secure housing and livelihoods for former farm dwellers (Evert & Hamman 1999), these have been the exception. The Labour Tenants Act made provision for registered labour tenants to apply to government for land acquisition grants before the March 2001 cut-off date. Many did so, but to date the government has failed to process these applications or to notify landowners of the contents

of the applications. In the meantime, the households have suffered an escalation of infringements of their rights, including evictions, destruction of property, assault and denial of access to services, grazing land. This is the basis of the recent court action taken by AFRA against the DRDLA on behalf of labour tenants from KwaZulu-Natal, Free State and Mpumalanga.

Since as far back as 2002 there has been a process underway to redraft tenure security legislation, informed by the substantial body of evidence on implementation challenges faced (Hall, *et al.*, 2003). After many years of delay, in 2011 the government published the Land Tenure Security Bill (LTSB), aimed at addressing the failure of previous legislation. There was widespread criticism of the Bill. AFRA threatened legal action against the Rural Development and Land Reform Department, should it submit the Land Tenure Security Bill to Parliament in its current form. During 2013, Government put out two new draft instruments relating to farm tenure: ESTA Amendment Bill and Farm Worker Tenure Policy. There is no reference to the 2011 Land Tenure Security Bill on the DRDLA website. In response to the new farm worker tenure policy, and a number of other bills relating to land issues, NGOs, CBOs, academic institutes/centres and community members are coming together to develop a strategy and responses to communal land tenure, farm worker tenure, smallholder farmers, land redistribution, restitution, rural development and agrarian reform (CLS, *et al.*, 2013).

Conclusions

There is an emerging consensus in the literature that solutions to the problems of farm evictions need to be sought both on and off farm. Tenure security is not sufficient alone, without a livelihood. It is clear that the State's approach of using litigation to preventing evictions is misplaced. Movement off farms is the inevitable result of a number of factors notably the modernisation of agriculture and the economic climate nationally and globally. At the same time, post 1994 government policies and laws have served to exacerbate rather than stem the tide, and there are serious shortcomings in the State's provision of alternatives for displaced farm dwellers. Atkinson (2007) captures the central problem thus:

“while the old agricultural elite and the new political elite continue with their game of shadow boxing, often accompanied by ill-considered policies and poorly targeted programmes, nobody defends the real material interests of farm workers”

Despite the movement off farms, there remain a large number of men, women and children living on farms throughout the country. There remains an important need to protect farm dwellers from harassment and arbitrary and unlawful eviction, where these are still happening, whilst at the same time seeking developmental long term solutions. This may require a complete overhaul of the existing protections provided in law.

Off-farm migration is a reality. There are large numbers of ex-farm dwellers without access to decent housing and services; many with inadequate means of support. There is need for a more holistic focus on employment and income generating opportunities, services and infrastructure for displaced farm workers. There are a number of different options that have been proposed, and some are already being implemented with mixed results. These include access to land for independent production and housing, serviced settlements for farm workers who continue to work on farms, and measures to assist with integration into an urban environment.

Section 1.7: Discussion

Nearly a century of state support to white commercial farmers – at the expense of black farmers – allowed for their domination of the agricultural sector by the time the ANC government came to power in 1994. The new government set out to address this imbalance by strategically withdrawing from the sector, but in other ways actively intervening.

Withdrawal of the state comprised state deregulation of the sector, including the abolishment of marketing boards, ending subsidies and phasing out of protective tariffs. Intervention by the state involved land reform, aiming to transfer 30 per cent of commercial land to black people by 2015, but also extending labour and social rights to farm workers. The hope was that this basket of policies would inter alia create a space for the re-entry of black farmers. The state's programmes of agricultural restructuring and land reform have therefore been intertwined.

Key variables which were seemingly not sufficiently considered by the state on its path of transformation, was the impact of the sector's increasing integration into global markets and agro-food restructuring. The combination of deregulation by the state and re-regulation by global retailers has resulted in a much more fragmented producer base that is now bargaining with increasingly consolidated supermarket powers for a fairer deal.

In some way, government policy has its intended consequence: so-called inefficient white farmers have been "shaken out" as the result of the discussed policy changes. However, in a perverse twist, the freed up land that was meant to go to new black farmers have been snapped up by white "winner" farms, who increasingly have to expand and make use of economies of scale to keep their costs down. This process has led to increased consolidation of farming, which is following a global trend of fewer, but bigger farming units. Needless to say, this trend frustrates government's aims of land reform. The "willing-buyer, willing-seller" strategy of land reform has variously been blamed for this state of affairs. However, even where black farmers have been able to secure land, lack of state support and a cut-throat commercial environment leave most of them struggling for survival.

Facing this hostile climate, farmers have adopted various coping strategies. Where labour have been a major cost component of their business, work forces have been restructured, leading to an overall decrease in the total of workers employed, but also increased casualization and externalisation. The restructuring process is incomplete and is likely to gear up a notch following the 52 per cent increase in the minimum wage implemented in March 2013.

The processes of trade liberalisation, integration into global value chains and the extension of social and labour legislation to farm workers have been referred to a "triple transition". This transition, several authors have noted, has created a double divide: between farmers (who benefit from these changes and those who lose out) but also between workers (i.e. between permanent, on-farm workers versus seasonal, off-farm workers) (Mather & Greenberg, 2003; Du Toit & Ewert, 2005; Kritzinger, *et al.*, 2004). However, this divide is not split down the middle: the circle of "winners" – in both producer and workers communities - is increasingly shrinking, while the ranks of the "losers" are swelling.

The “double divide” between farmers and workers are interlinked. Given that commercial farmers remain a major employer in rural areas, a strategy aimed at addressing rural poverty is unlikely to succeed if the macro-economic environment in which farmers have to operate is not addressed. It is imperative to deal with the structural roots of the problem.

The reviews presented in this chapter highlights contemporary themes related to labour restructuring on commercial farms in South Africa and the implications thereof for the working and living conditions of farm workers and farm dwellers. Whilst some themes are systemic, others have a regional or even commodity specific nature. This has important implications for the selection of case studies for the empirical analysis.

Some of the important themes raised in this chapter include the following:

Substitution of relatively more skilled workers for relatively less skilled workers, usually in association with substitution of capital or chemicals for labour (e.g., mechanisation, or replacing manual hoeing with chemical weed control). Substitution towards better skilled employees (or the professionalization of farm work) is likely to be associated with both an increase in labour productivity as well as an increase in average working conditions. However, it reduces employment for relatively less skilled and less productive workers, and these workers will find it particularly difficult to find employment elsewhere.

Externalisation of employment. High transaction costs of employing farm workers (including perceived risks of such employment) has given rise to intermediaries who employ farm workers and provide services to farms on a contract basis. Farmers pay a premium for such services to avoid transactions costs and various perceived risks⁴¹ of employing workers, and, in some cases, possibly also to avoid exceeding the threshold of employing more than 50 workers and becoming as “designated employer” in terms of the Employment Equity Act. Farmers’ willingness to pay this premium provides an opportunity for the contractors and labour brokers to enter the market.

Casualization of employment. A shift in the nature of employment from employment of a permanent nature to employment of a limited duration to employment of unspecified duration, or a change from a written contract to a verbal employment contract are generally undesirable for workers. Nonetheless, casualization of employment is a strategy adopted by some farm businesses to increase cost flexibility and to manage various perceived risks. The extent to which labour (and other) legislation applies to workers according to their employment status, as well as the effectiveness of the monitoring and enforcement of that legislation also drives farmers’ incentives to casualize or formalise employment relationships with their workers. Farmers may also favour having a relatively more casualised workforce if they perceive that seasonal workers and casual workers are less likely to become unionised.

Hall, *et al.* (2013: 59), for example, contend that in the Makwembe area of Limpopo some farmers hired workers on a seasonal basis instead of providing them employment of a permanent nature, primarily (a) to dissuade them from considering the farm to be their primary home, (b) to mitigate future claims to employment, and (c) to avoid retrenchment costs. It is a strategy to maintain ‘labour

⁴¹ Farmers’ make decisions based on their perceptions of risks. These risks include risks associated with changes to labour and other policies. For example, the (perceived) risk that farm workers may become entitled to rights to use farmland is a current economic cost of direct employment of farmworkers.

flexibility' and control over settlement, while securing a skilled and reliable workforce. It is apparent that casualization of the workforce is used to evade the transaction costs attributable to the BCEA and to mitigate the threat of non-workers having rights to live on farming land in terms of ESTA.

Changing labour management techniques. According to Orten (2001: 473), farmers are increasingly adopting more formal farm management techniques, including more formalised labour practices) as a strategy to achieving improvements in efficiency. Changing labour management techniques may include, for example, a change from payment based on time worked to productivity based remuneration.

Land reform. Land reform is an important dynamic in South African agriculture. Change in ownership of farms from whites to blacks may impact on the working and living conditions of farm workers for a number of reasons, such as:

- a. The general nature of relationships between farm workers and black employers may differ from that between farm workers and white employers⁴² for cultural reasons; and
- b. The financial position of redistributed farms may impact on farmers' abilities to afford good living and working conditions for their workers.

The emergence of private regulations and standards that incorporate (aspects of) working and living conditions of farm workers. Global value chain governance has filled the regulatory gap left when the state partially withdrew from the sector. The emergence of private sector codes or ethical standards in the farm sector are likely to impacted positively on compliance levels, especially amongst larger firms (as they can spread the fixed costs of obtaining accreditation over greater volumes of produce) and in commodity value chains where consumers and agro-processors are willing to pay a premium for ethically produced produce, and/or compliance in social audits is perceived by farmers to be important for establishing and maintaining their business relationships with overseas buyers of their produce (e.g., refer to Barrientos and Visser (2012)). Because ethical accreditation benefits farmers in such markets, they have incentive to comply with the standards required necessary to gain accreditation. According to Barrientos and Barrientos (2002: 39), these standards tend to include compliance with national labour legislation and, in the case of more progressive codes, also encompass ILO core conventions.

The standards and practices of global supermarket chains are increasingly permeating to the practices of local supermarkets so that both producers who export and those who do not are affected by the actions of the supermarket monopolies. Local supermarkets have also consolidated significantly since the 1980s, which means that the same power dynamics found in global value chains are now also found in local chains, if to a lesser extent. Moreover, the increasing penetration

⁴² The relationships between white farmers and black farm workers in South Africa have often been stereotyped as being 'paternalistic', which implies that farmers refuses to see farm workers as equal human beings; rather, they are infantilized and reduced to the objects of development. Orten, *et al.* (2001:473-4), for example, contends that [white] farmers tend to retain a high degree of (social, economic, and political) control over the lives of workers, and still see it as their responsibility to protect the "best interests" of workers. Whilst relationships of this nature can benefit workers if used responsibly and benevolently, they can become perverted, coercive and manipulative, and deprive farm workers of a sense of autonomy and selfhood.

of supermarkets in the retailing of food is leading to a decline in traditional wholesale and wet markets in many countries (Barrientos & Visser, 2012). This leaves farmers who do not supply supermarkets with a decreasing number of outlets for their products. Finally, all farmers, regardless of whether they import or export, are dependent on inputs that are increasingly sourced globally from major monopolies. For instance, Helliker (2013: 5) argue that 'free trade' has led to the shutdown of local production capacity of agrochemicals, to the extent that by 2000 about 70 per cent of South Africa fertilizers and pesticides was imported.

Reardon, *et al.* (2009) note that while empirical research documenting the emergence of the "supermarket revolution" has spurred a body of literature documenting agrifood industry restructuring and organizational and institutional change, much less survey-based research has been done on the impacts of that transformation on farmers and farm workers. They argue the gap is particularly important because substantial controversy is developing around two pertinent issues. Firstly, to what extent and under what conditions does transformation of the agrifood sector "include" or "exclude" small farmers and farm workers? Secondly, to what extent does inclusion raise incomes and modernize technologies of farmers and workers? This paper tries to help fill that gap by evaluating existing literature which describes the impact of agro-restructuring, but also post-1994 government policy changes. Particular attention is paid to impacts on producers and workers.

However, high costs associated with obtaining accreditation for some codes of conduct may impact negatively on employment and the provision of fringe benefits to workers on accredited farms (e.g., see Mather (2004)). For example, standards that require employers to contribute to workers' pension or retirement funds increase the costs of employment and reduce the quantity of labour demanded by farms that comply with such standards. Likewise, costs of improving worker accommodation to meet particular standards may be kept in check by providing housing to fewer workers, or partially recovered by raising workers' rents.

The adoption of private ethical standards reflects that (a) knowledge of farm workers' working and living conditions is important to some off-farm stakeholders in some agricultural commodity value chains, and (b) that there is an asymmetric information problem, in so far as it is not possible for those stakeholders to easily assess the working and living conditions of workers on a farm with which they have a relationship of would like to establish a relationship that is contingent on compliance of the farm with a particular set of standards. These private standards, therefore, are likely to emerge when (a) monitoring of compliance with labour legislation by the state is perceived to be inadequate and/or information on the outcome of assessments is unavailable to interested parties, and (b) when the set of standards required by other role players differs from the standards set by legislation. Moreover, they are only likely to be adopted in value chains where consumers and processors of agricultural produce place a high value on assurance that the production process meets a particular set of ethical requirements.

Private standards can and do differ from legislated standards. For example, some private standards provide accreditation to producers that do not meet legislated requirements, but are demonstrating *adequate progress* towards attaining those standards. Likewise, in instances where the private sector considers (some) legislated standards to be too low, private standards may be more stringent. However, private standards do tend to converge on the legislated standards. It is important to note that the value of accreditation of ethical compliance, and hence the likelihood of adoption of those

private standards, varies by commodity and by marketing channel. Farmers have greater incentive to adopt standards for commodities and marketing channels in which accreditation is necessary for access, and those where it earns a price premium, e.g., export markets for fruit and wine. Consequently the emergence of private ethical standards does not replace the need for effective monitoring and enforcement of labour legislation on farms by the state. Importantly, whilst accreditation for an ethical standard tends to indicate compliance with labour legislation, low levels of accreditation do not necessarily imply low levels of compliance with labour legislation.

Shifts in the nature of farm work. Several factors have contributed to a shift in the nature of farm work on some farms towards requiring an increasingly skilled workforce. Barrientos and Visser (2012) identified some of these as:

- More skilled labour is required to handle “rising standards”;
- Mechanisation trends;
- New niche crops; and
- New packing requirements

Moreover, many permanent workers must be multi-skilled, including pruning, irrigation, tractor driving, orchard monitoring, and supervising other workers (Barrientos and Visser 2012: 23).

Labour policy, including the February 2013 revision to the Sectoral Determination 13. Notwithstanding the weakness of agricultural trade unions, trade unions have heavily influenced the process of consultation and decision-making in government with respect to the formulation of labour market policies. Some commentators contend that these policies have been drafted largely with urban, manufacturing and mining situations in mind, where workers are fairly skilled (and therefore less dispensable), concentrated within workplaces (and therefore can be mobilised), and their residences are not located at their workplaces (and therefore their rights to housing are not affected by labour militancy or protests).

Importantly, some legislation may have unintended consequences. For example, ESTA has been criticised for inadvertently encouraging evictions of farm dwellers as well as for breaking down working relationships between some employers and employees (Atkinson, 2013). Likewise, the introduction of the Sectoral Determination for farm workers in 2003 impacted negatively on employment in the sector (Stanwix, 2013: 2), as well as the provision of fringe benefits to workers. However, the Sectoral Determination did impact positively on (a) wages paid to farmworkers, and (b) the proportion of farm employees with written contracts (Stanwix, 2013: 2). Furthermore, Stanwix (2013:2) noted that relative levels of minimum wage violation (measured as the gap between the actual and the minimum wage) have declined significantly since 2003. The upward trend has been strongest in the provinces that initially paid the lowest wages, leading to a much smaller variation in wages across provinces by 2007.

Even where labour legislation is not well adhered to, transactions costs created by the very existence of that legislation together with the potential for its enforcement, may deter employment of farm workers, for at least two reasons:

- Firstly, the involvement of Labour Inspectors and the Commission for Conciliation, Mediation, and Arbitration is onerous for smaller companies without dedicated human resources capacity, and therefore acts as a disincentive for employers to hire staff.
- Secondly, South Africa was ranked third last out of 142 countries in terms of its hiring and firing processes by the Global Competitiveness Report, and employers indicate that time, trouble and hassle of both these processes are obstacles to hiring new staff (CDE, 2013: 4).

General conclusions drawn from the experiences of Brazil, India and Malaysia by CDE (2012:6) include that (a) an excessive regulatory burden on employers hinders the growth of enterprises and formal sector employment; (b) an excessive regulatory burden also contributes to growth in sub-contracted employment; and (c) high levels of payroll taxes help ensure the persistence of high levels of informality.

Monitoring and enforcement of labour legislation. Numerous analyses have documented non-compliance with legislation such as the Basic Conditions of Employment Act (SAHRC, 2003: 25–6), and non-adherence to ESTA has also been widely observed. Nonetheless, the true current extent of labour law evasion in the farming sector remains largely unknown. Furthermore, it is unclear to what extent such law evasion is a result of ignorance, deliberate delinquency, poor inspection and enforcement (Stanwix, 2013: 4), or even inappropriate legislation considering the financial position of many farm businesses. There is, however, evidence that the involvement of effective NGOs may encourage farmers to adhere to legislation (e.g., refer to Theron and Visser’s (2012: 24) article on the involvement of ECARP (the Eastern Cape Agricultural Research Project) in the Cacadu and Amathole districts of in the Eastern Cape).

Worker agency. What are the reasons for low union membership, and what alternative or complementary modes of worker agency exist, and the effectiveness of those modes of agency?

Chapter 2: An Analysis of Ten Case Studies

Section 2.1: Research Methodology and Background to the Case Studies

A case study approach was taken to gather primary data for this study. A case study was defined as a particular geographical farming area, where producers farmed with (usually) a specific type of commodity. This approach was favoured for two reasons. First, the reference committee who commissioned this research requested that research be conducted countrywide and across a range of commodities and farm types. Secondly, and more importantly, a case study approach was taken to highlight how spatial and structural dimensions of different farming scenarios impact on labour restructuring. Some key dimensions that directed the choice of case study selection were the labour intensity of the farming operation, the extent to which the farm was integrated into (global) value chains, and its geographical locality. Given that the one of the motivations for the study was to understand the causes of protest action that erupted in De Doorns in 2012, as well as claims of human rights abuses on farms prior to that, the choice of case studies was also informed by whether they were located in regions that have been characterised by fraught labour relations: so-called labour “hot spots”.⁴³

Case studies were chosen for their validity rather than their representativeness, where validity referred to the locality exhibiting rich information on one or more important themes of change and pressure identified by the team leaders. Consequently, the case study selection reflects a bias towards labour intensive farming regions and “hot spots”. Ten case study sites were selected. Table 2.1 below indicates the location of case studies, primary commodity produced in the area, as well as the dimensions explored in a particular case study.

Table 2.1: Case study selection for this study

Province	Specific location	Crop	Other dimensions
Eastern Cape	Sunday River Valley	Citrus	Labour intensive; little scope for mechanisation; export-orientated; some BEE-farms
Gauteng		Livestock production: Chickens/eggs	Peri-urban; non-seasonal production; produce sold on local market
North West	Ventersdorp	Extensive cattle/maize/game	High scope for mechanisation; bulk of produce sold on local market
Western Cape	De Doorns:	Table grapes	Site of labour unrest, 2012; Export-orientated; highly labour intensive; little scope for mechanisation
Western Cape	Ceres	Apples and Pears	Site of labour unrest 2012; export-orientated; highly labour intensive; little scope for mechanisation

⁴³ See for instance the Human Rights Watch report “Ripe with Abuse” published in 2011. Available online at: <http://www.hrw.org/reports/2011/08/23/ripe-abuse-0>

Western Cape	Robertson	Wine; wine and other mixed crops	Site of labour unrest 2012; export-orientated; highly labour intensive; some scope for mechanisation
KZN	Eston	Sugar Cane	Several BEE producers; produce sold in local market; sector still regulated
Free State	Bothaville	Maize + some horticultural crops	Enables comparison between low and high labour-intensive crops within a specific area
Mpumalanga	Nkomazi	Sugar cane and subtropical fruit	Labour mechanisation; significant areas of restituted land; scope for mechanisation; cross-border migration
Limpopo	Levubu	Nut crops and subtropical fruit	Significant areas of restituted land; export focussed; cross border migration

A special focus on the Western Cape

While only one case study was selected in other provinces, three case studies were selected in the Western Cape. This was done because the Boland area of the Western Cape, in which all three case studies were located, was severely affected by the De Doorns 2012 protests. Secondly, size-wise the farming sector in the Western Cape is significant: it is responsible for 20.8% of South Africa's gross farm income and home to almost 24% South Africa's farm workers (Department of Human Settlements: Western Cape, 2013).

Limitations to the scope of the study:

Given that the study commissioners were keen to understand the key factors that impacted on labour restructuring and worker conditions in the commercial sector, the case studies focused on commercial farming only and subsistence farming was therefore not included in this study. Likewise, given the already vast scope of the study, the intersections between land reform, commercial farming and labour restructuring was not explored, other than to refer to the impact of Extension of Security and Tenure Act (ESTA). Where the issue of land reform has surfaced, it has been discussed, but in a limited way. The intersection of these issues warrants a separate study.

Preparation for field work

Field work was preceded by a planning phase. This included the following:

- Preparing structured individual questionnaires for producers and farm workers and fairly open-ended questionnaires for worker focus groups. Questionnaires were informed by a literature review conducted prior the field work phase;
- Obtaining ethical clearance for the project from the University of Cape Town;
- Developing a case study methodology that could be followed by all researchers and their assistants;
- Researching which organisations should be interviewed in the case study area;

- Contacting key informants in worker and producer communities with the view to selecting five potential farms-per-case studies. The five farms to be selected in each case study were chosen by way of a two-pronged process to ensure buy-in from both worker and producer organisations, but also to ensure a balanced selection of case studies. Both producer organisations (such as Agri SA) and commodity organisations as well as worker organisations (such as trade unions and NGOs) were contacted to suggest producers who should be approached for participation in the research. Farms were also selected on the basis of where they slotted into a matrix of key variables. These included:
 - the number of workers employed per farm;
 - use of a contractors;
 - use of off-farm workers or only on-farm workers;
 - level of mechanisation;
 - accredited with an ethical trade organisation;
 - nominated by a worker or producer organisation;
 - BEE component.

Following a preliminary choice, study leaders sent an introductory letter to the recommended case study participants, asking them to participate in the research. E-mails were followed up with telephone calls to set a time and date for interviews. If producers agreed to participate, the researcher offered to send them a copy of the employer questionnaire to prepare them for the interview. Farm worker questionnaires were not sent to producers, workers or any third party beforehand, nor did producers have sight of the farm worker questionnaire on the day of the interview. This precaution was followed to avoid circulation of the questionnaire and the risk of farm workers being influenced to answer questions in a specific way.

Each case study also contained a sixth site, which was usually located in a township falling within the case study area. Here farm workers living off-farm were interviewed. At this site, interviews with workers evicted from farms were also conducted, where their location was provided by key informants.

In each case study area, researchers also tried to set up interviews with labour brokers and/or contractors who operated in the area. However, given the controversy surrounding labour brokering, it was difficult to secure such interviews. More than once labour brokers backed out of interviews at the last minute after a meeting had been set up with them.

Potential research participants were alerted from the outset that all information would be treated confidentially and that names of individual farms or producers and their workers would not be disclosed in any report or other publication emanating from this research. Confidentiality agreements were signed by all researchers participating in the research. All participants agreeing to participate in the research were given the opportunity to sign a consent form, in which they agreed to participate in the research. The consent form contained contact information for the researchers, as well as an impartial contact person at the University of Cape Town who was not part of the research team and whom they could approach if they were concerned that ethical procedures had not been followed or if they wanted to withdraw from the research project following the interview.

Prior to conducting farm visits, each case study leader conducted interviews with local stakeholders within the case study community to get an insight into the labour dynamics and structural issues

that were critical to the case study area. Local stakeholders comprised producer and/or employer organisations, trade unions and NGOs operating in the area; municipal management; local clinic managers and whomever else the researchers were referred to by other participants. Interviews with key informants were open-ended, but guided by the key research questions.

On-farm research consisted of the following aspects:

- A structured individual interview with the producer;
- A structured individual interview with at least four workers per site;
- An unstructured focus group with six workers.
 - Focus groups focussed on a) pertinent issues identified by the researchers during the structured interviews; b) what “voice” workers had in the workplace and c) whether there was any evidence of organisation among farm workers not only on the farm, but also within the broader community.
 - To select a sample of workers to be interviewed, case study leaders were instructed to request a list of all workers present on the day of the interview from farm management, which indicated the workers’ status (i.e. temporary or seasonal) their gender and, if possible, also their job description (general worker, sprayer, etc). Field workers were instructed to select a sample of ten workers which included a) permanent seasonal workers; b) workers of both gender and c) different skills levels and d) a selection of workers who lived off-farm. Where workers were represented by a union, the field workers included a union member in the sample. Domestic workers, crèche workers or other atypical farm workers were purposefully omitted from the sample.

Before starting with the interview process, the research aims were explained to the workers. It was also stressed that their participation was voluntary and that all information would be treated confidentially. It was also explained that data would be aggregated. If they agreed to participate, participants were asked to sign a consent form and were given a contact form in case they subsequently wanted to withdraw from the research. Interviews with workers were conducted in settings that allowed for maximum confidentiality. They took place only in the focus group settings where confidentiality among employees could potentially have been compromised by co-workers. As a precaution, supervisors or those in management positions were not included in focus group discussions.

The final research phase consisted of interviews with various commodity organisations, apex worker organisations, NGOs and government departments that would have an insight into the research topic or were otherwise involved in the sector.

In total, taking all case studies in account, 48 farms and one pack house were visited. In-depth, structured individual interviews (SIIs) were conducted with 208 farm workers, of which 158 were permanent workers and 50 were seasonal workers. Group interviews were also conducted with approximately 250 farm workers, who consisted of both permanent and seasonal workers. In-depth SIIs were conducted with 48 producers.

In addition, about 90 interviews with key stakeholders were conducted across the case studies. These included representatives of producer organisations, trade unions, NGOs, government officials, industry bodies, social and health workers and others who were knowledgeable about the industry.

Study limitations

1. By the time the field work preparation had been completed, harvesting in some of the case study areas had already stopped. As a result, the majority of seasonal workers were no longer on farms in these areas. This was specifically problematic in Levubu, where no seasonal workers were interviewed.
2. As the research was voluntary, some of the producers suggested by unions did not want to participate in the research. In at least two cases, such producers initially indicated their willingness to participate, but then phoned the researchers on the day of the visit to cancel. This left almost no time to find replacements as field work schedules programmes were prepared in advance and followed a tight schedule. Due to limited funds and time for this project, alternative producers could not be interviewed subsequently.
3. The research was not conducted by one institution, but by a consortium of researchers. Given the size of the project, management of field work was split between two centres, which, with hindsight, proved not to be ideal. Two case study leaders did not strictly follow the case study methodology, with the result that the quality of information obtained in their case studies was somewhat compromised. For instance, although case study leaders were asked to request payslips from worker interviews and payroll information to triangulate information received from the workers, this instruction was not followed by two case study leaders. The explanation they subsequently provided for this omission, was that key informants contacted to suggest the names of producers, suggested that producers might be unwilling to participate if they were required to make available payslips and payroll information. In one incident a case study leader also did not follow the questionnaire format, with the result that it was difficult to compare housing of on-farm vs. off-farm workers.
4. Although various government departments were approached to participate in the research, both during the course of field work as well as during the final phase of the research, it was often difficult to gain access to such government departments. Notably, the team went to great lengths to secure interviews with key officials within the Department of Labour: National Office and the National Department of Agriculture: National Office as well as the Department of Health: Western Cape. The relevant officials requested that written questions be e-mailed to their offices but no replies were received to these questions. While some government officials were extremely helpful, three case study leaders – independently of each other – noted that other officials were at best unhelpful and uncooperative and at worst passive-aggressive. Their attitude frustrated the research to some extent.

There are two other important caveats to this research. First, research to some extent gives “voice” to respondents as they get the opportunity to raise their frustrations in the hope that their complaints will reach somebody in power who will change their circumstances for the better. To some extent therefore, so-called worst case scenarios might have been captured by the researchers. Hence, to strike a balance, respondents were asked to also mention “what worked for them”.

Secondly, the scope and ambition of this project was large and its questions would probably have been better answered by several PhD theses. Given the research team’s time and budget constraints, it must be stressed that the findings presented below do not aim to present definitive answers to labour practice in the agricultural sector. At best the findings should be viewed as a series of snapshots of some of the key problems facing producers, workers and farm dwellers at this moment in time.

Background to the Case Studies

The Western Cape

On a province-by-province basis, more workers are employed in the agricultural sector in the Western Cape than in any other province. Figure 2.1 shows that during the period from the first quarter of 2008 to the third quarter of 2014, total employment in the sector ranged 107 000 to 194 000, with an average of 146 000. During that period employment in the agricultural sector in the Western Cape declined at an average rate of 3264 jobs per annum (2.2% of average employment). The rate of labour shedding was not constant over time. The level of mechanization in agriculture in the Western Cape is low compared to the national average⁴⁴.

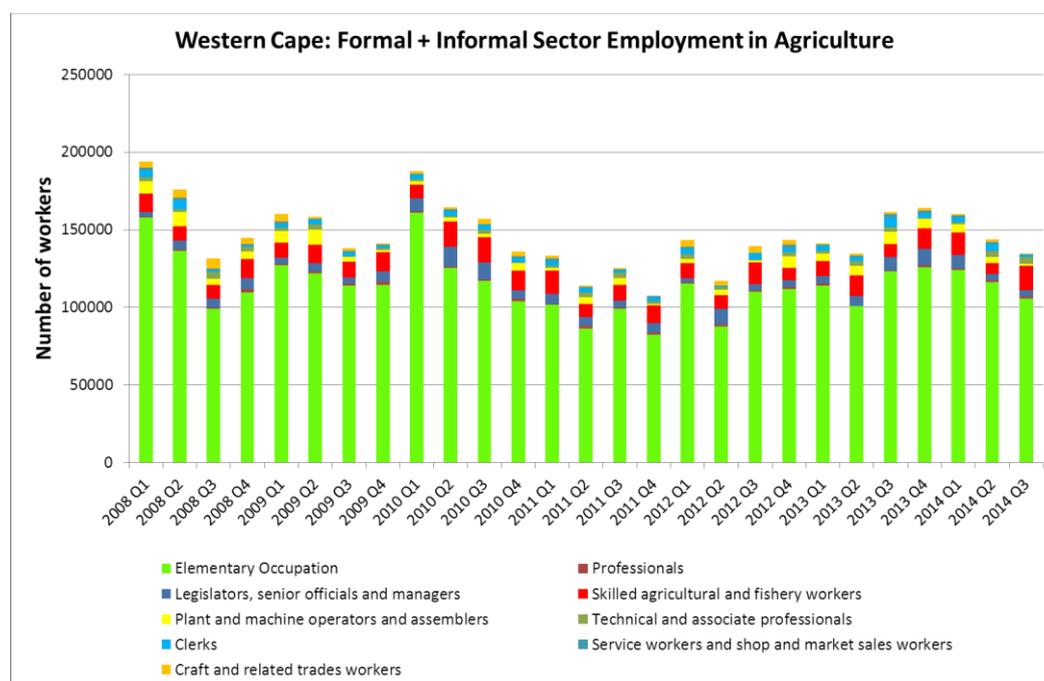


Figure 2.1: Employment in the agricultural sector in the Western Cape by main occupation group, 2008-2014 (Source: Quarterly Labour Force Survey, 2008-2014).

⁴⁴ The ratio of people employed as machine operators and assemblers to those employed in elementary occupations in the sector is used as a proxy for the level of mechanisation. The Western Cape ranks 9th out of the nine provinces with an average value of 0.039 for the period 2008Q1 to 2014Q3 compared to a national average of 0.112.

Three case studies were conducted in the Western Cape. The remainder of this section provides context for wine, table grapes and deciduous fruit production in the Western Cape.

*Wine*⁴⁵

Most wine producers market their grapes to 50 producer cellars who receive 70 – 80 per cent of the total wine grape harvest. Most of the wine produced by producer cellars is sold in bulk to one or more of 57 wholesalers and 43 exporters. Since deregulation of the wine industry, the number of producer cellars, that were operated mostly as cooperatives, has decreased from 69 to 50, while the number of private cellars have more than doubled from 218 in 1997 to 493 in 2013. Wine grapes not delivered to the producer cellars is processed by 505 private wine cellars and 25 producing wholesalers, such as Distell, KWV and DGB.

The private wine sellers are represented by Wines of South Africa (WOSA), a Section 21 company, representing all South African producers of wine who export their products. WOSA is funded by a levy per litre on all bottled natural and sparkling wines exported. Its mandate is to promote the export of all South African wines in key international markets. Traditional markets include the United Kingdom, Germany Sweden and the Netherlands. More recently, WOSA has also been developing markets for South African wines in the United States, Canada, Russia, and Asia.

The wine producing wholesalers (e.g. KWV, DGB and Distell) are represented by the SALBA (South African Liquor Brand owners Association), a non-profit organisation.

Figure 2.2 shows trends in wine production for the local and export markets. The total wine grape harvest has increased by more than 21 per cent between 2003 and 2013 – even though the surface planted to wine grapes has decreased by 476 hectare during this period. Total exports of wine have increased primarily due to increased exports of bulk wine. Total exports of packaged product have decreased by about 18 per cent (a conservative estimate) since 2008. By 2013 the percentage of exported wine that is packaged had declined to 35 per cent.

⁴⁵ Information presented in this section was obtained from Vin Pro and is based on findings of VinPro's annual Production Plan Survey. The survey is conducted in all nine wine districts to investigate both the production costs of growing wine grapes as well as the financial welfare of the wine grape producers. Altogether 237 farming units from the nine districts participated in the 2013 Production Plan Survey. In 2013 the sample considered of 21 734 ha (22% of the total South African surface planted under grape vines in 2012). The sample consisted mostly of producers with good to a above-average managerial capability.

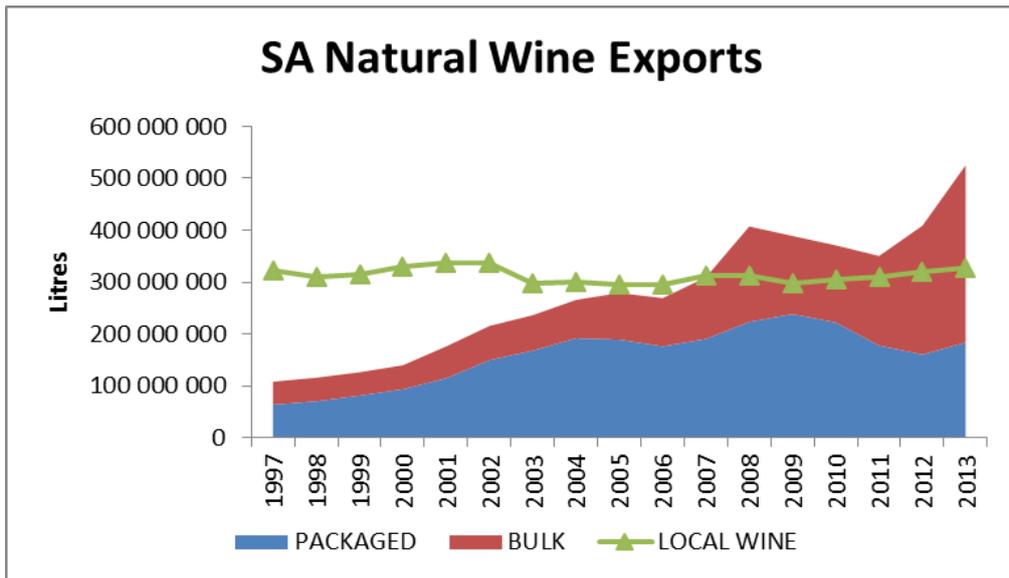


Figure 2.2: Wine production for local and export markets, 1997-2013

Profitability

Measuring the sustainability of the industry just on the basis of increased hectares and volumes exported is misleading. Net farming income (NFI), a measure of profitability, is computed as total income (R/ton x ton/ha) minus the total production costs, but excluding foreign factor costs (i.e., rent, management and interest) and tax. According to VinPro, while total income per hectare has increased marginally since 2005, rising production costs have caused NFI to decline by 31 per cent between 2004 and 2013. It is evident from production cost estimated presented in Figure 2.3 that shows production costs per hectare increased by 88 per cent from 2004 to 2013. The increase in production costs is primarily attributed to increases in costs of fertiliser and pests & disease control (Figure 2.4).

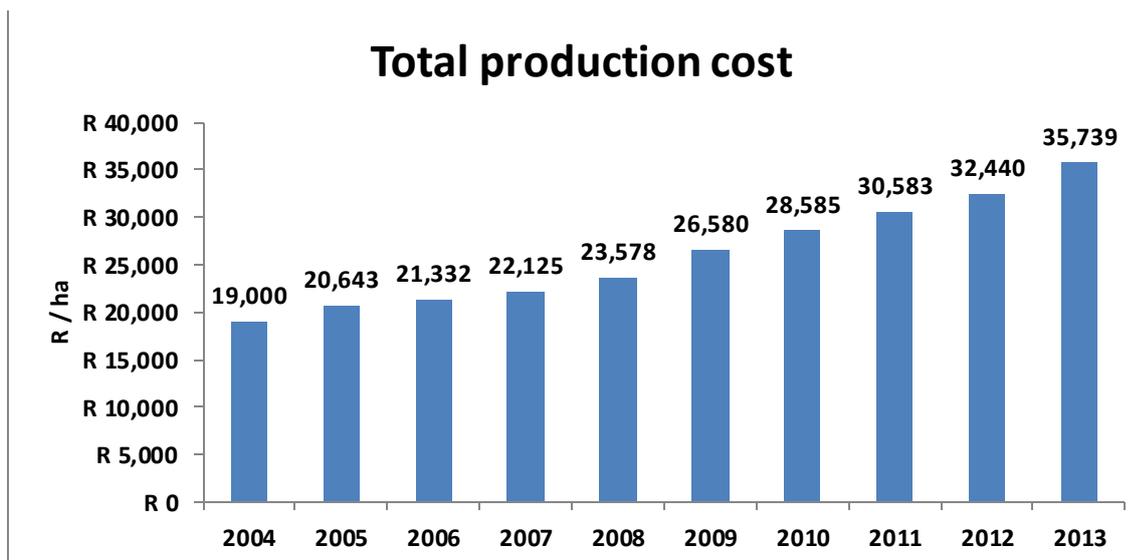


Figure 2.3: Per hectare production costs in wine production, 2004-2013.

Source: VinPro (2014)

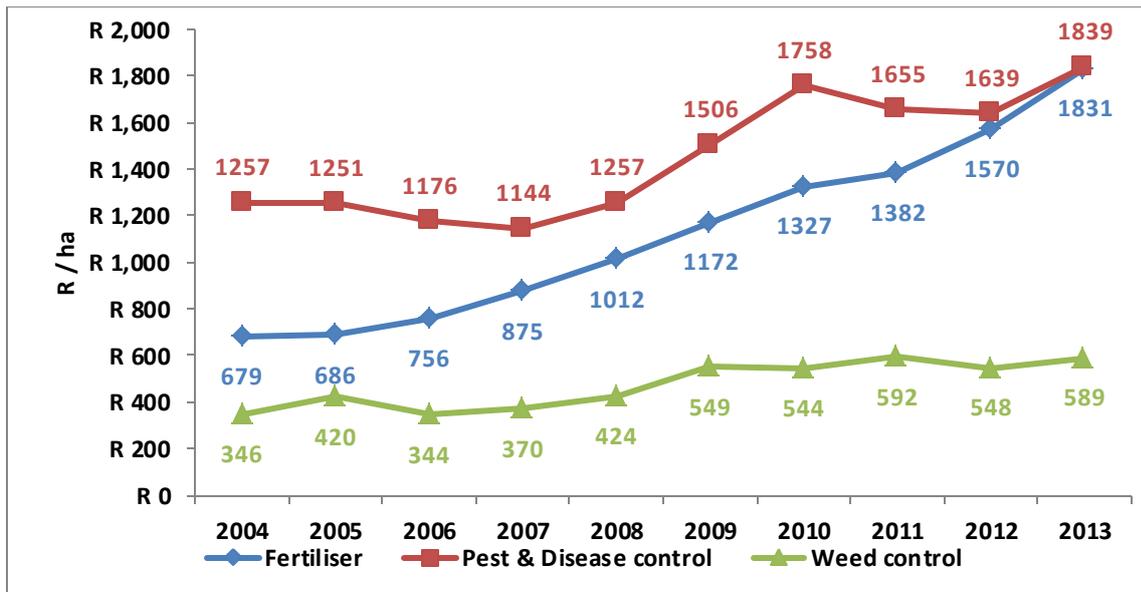


Figure 2.4: Per hectare production costs in wine production by input category, 2004-2013

Source: VinPro (2014)

While the average cost of labour for the industry, expressed as a percentage of annual cash expenditure, stayed fairly constant at about 40 per cent from 2010 to 2013 (Figure 2.5), the cost of labour on a per hectare basis increased by 53 per cent and 98 per cent for seasonal and permanent labour, respectively (Figure 2.6).

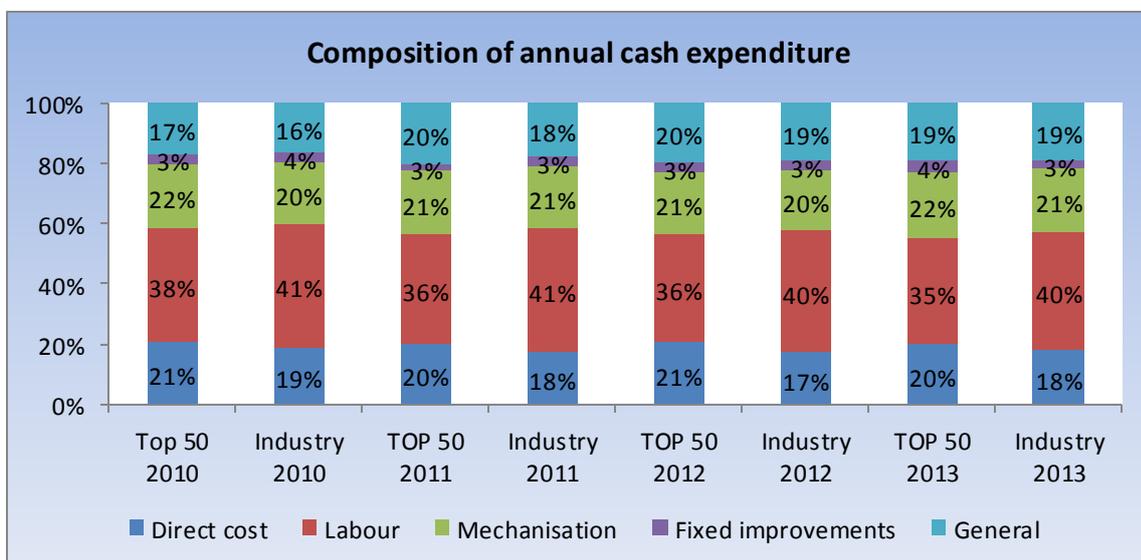


Figure 2.5: The composition of cash expenditure in wine production, 2010-2013.

Source: VinPro (2014)

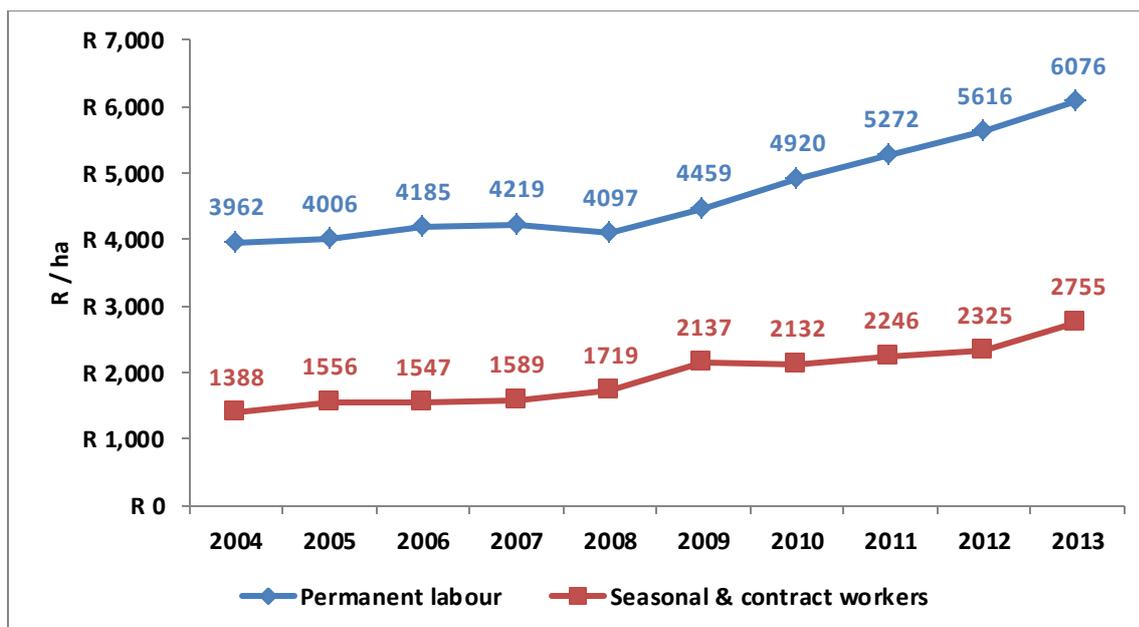


Figure 2.6: Trends in the per hectare costs of seasonal and permanent labour in wine production, 2004-2013.

Source: VinPro (2014)

The price of exported wine tends to fluctuate for a variety of reasons. Since 2010, the average price of exported bulk wine decreased by 20 per cent. (Figure 6).

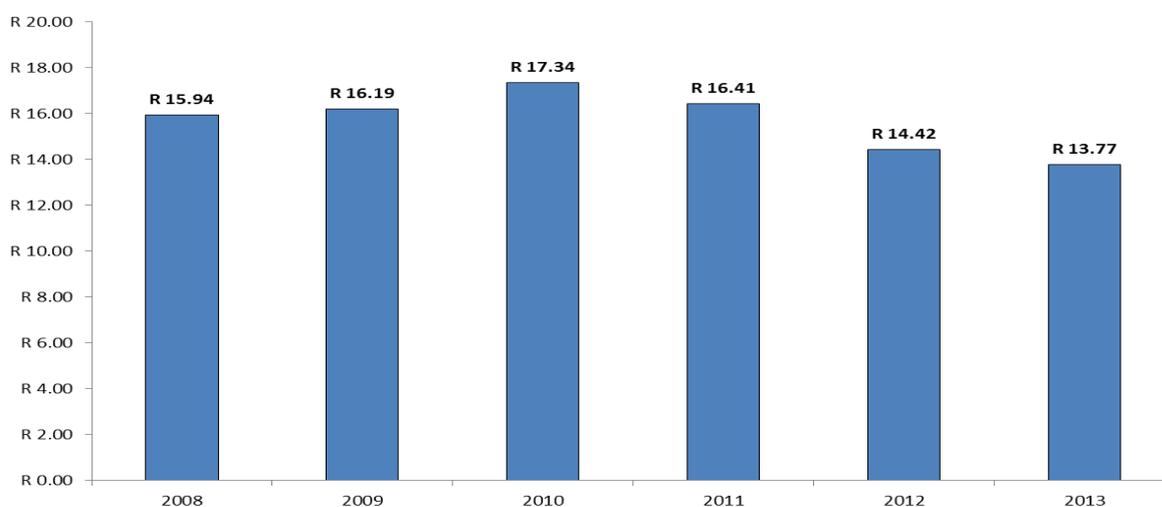


Figure 2.7: Average prices of exported bulk wine, 2008-2013.

Source: VinPro (2014)

According to VinPro (2014), in order for wine production to be economically sustainable in 2013, it should earn a total income of at least R55 739 per hectare and a NFI of at least R20 000 per hectare. Disturbingly, VinPro estimates that only 15 per cent of its producers in its study group (already a self-selection of more successful producers) met these criteria for economic sustainability. Most producers continue to find themselves in a cost price squeeze. Primary wine grape producers seems

to have little bargaining power to negotiate higher farm gate prices. As a result, it is estimated by VinPro that, on average, producers' profits amount to less than 2 per cent of the retail price of a bottle of wine (Figure 2.8).



Figure 2.8: The producer's share of the retail price of wine.

Source: Vinpro (2014)

According to VinPro (2014), low profitability of wine farming in recent years has contributed to under-investment in vineyards, causing the average age of vineyards to increase considerably since 2004. Of the producers who participated in VinPro's study, more than 14 per cent of vineyards are older than 20 years, and only 12 per cent of vineyards are less than four years old. This is a cause of concern for the industry as yields tends to decline in relatively old vineyards.

Producers at the top who have bucked the trend and managed to realise higher NFIs have done so by achieving yields 25 per cent or more above the average, and cash expenditure 7 per cent or more below the industry average. Mechanisation is a notable part of these farmers' strategies to keep production costs low. The average labour costs of the top 50 producers is about 5 per cent lower than the industry average, partly due to the fact that they are more mechanised. Yet, according to a supplier of grape harvesting machines, the peak period of mechanisation in the South African wine industry occurred from 1995 to 1997. Over the past ten years however, the total industry volume has however been stable. His company has sold 15 to 22 grape harvesters a year, of which many were replacement sales of old harvesters.⁴⁶

⁴⁶ E-mail and telephonic communication with representatives of Pellenc and Cape Agri, 11 November 2014.

The persistent cost-price squeeze had resulted in a number of producers exiting the industry. While there were 4515 primary producers in 1999, by 2013 there were only 3 440 left – nearly a quarter less.

Soft regulations are increasingly impacting on wine production. WIETA, a multi-stakeholder agricultural ethical trade initiative, was created by the wine industry in 2002. Its code closely follows South African labour and health and safety legislation, but its required standards are higher in some instances. In 2012, WIETA launched an ethical certification seal that may be used by audited farms that are compliant with WIETA's code of conduct. It remains voluntary for producers to have their farms audited by WEITA.

In the wake of the 2012 labour unrest in the Western Cape, ethical auditing of wine farms has increased significantly. One of the driving factors was that System Bolaget, Sweden's powerful government-controlled liquor monopoly, issued a "red flag status" to the South African wine industry following the 2012 labour unrest. Given that Scandinavia is the third largest destination of South African wine and its most profitable destination, System Bolaget's standpoint has been taken seriously by the South African wine industry, and it reacted by announcing that it intended to make WIETA accreditation a requirement for suppliers to export wine to Sweden. This has increased the demand for WIETA audits from about 20 per month to 100 per month. According to Wines of South Africa (WOSA), in July 2013 575 wine producers had signed up with WIETA - more than double the number registered twelve months previously.

Table grapes

According to the annual statistical yearbooks published by the South African Table Grape Industry, the total number of 4.5 kg carton of table grapes presented for export in 2013/14 was two per cent lower than in 2007/2008.⁴⁷ Over the same period of time, production in the Hex River area decreased by 14 per cent.

The UK and Europe are the main export destinations for South African table grapes, accounting for 79 per cent of total exports. However, the size of these markets is fairly stagnant and they offer little scope for growth (SATI, 2014). Growth in the African, Far East and Russian markets has been more encouraging, constituting increases of 113 per cent, 55 per cent and 53 per cent, respectively, over the last five years. This growth has been off a low base and these markets account for only a small percentage of South Africa's total production: African export markets takes less than one per cent, Russia three per cent and the Far East ten per cent.

Although table grapes are a high value product, they are highly perishable. Cold chain management is essential, which pushes up production costs. Rain on ripened crops adversely affects the quality and price of table grapes. During the past six year, the De Doorns area has twice experienced major setbacks due to adverse weather. In November 2008, just before the start of the harvesting season, the "worst flood in memory" caused damage of an estimated R200 million to grape farms. In January 2012, flash flooding and hail again caused damage on about 20 farms, with some suffering crop losses of up to 30 per cent.

⁴⁷ Data collected by SATI and PPECB.

From the perspective of a table grape producer, a disadvantage of the Hex River area is that summer temperatures rise slower than in other production areas, leading to a later harvesting season. The area is therefore unable to benefit from much higher pre-Christmas prices which farmers in the Orange River and Northern Province can benefit from.⁴⁸

According to SATI, input costs, in nominal terms, increased by about 46 per cent from 2009 to 2013. Average total cash expenditure (depreciation included) for the table grape industry stood at R167 710 per ha in 2013. The proportion of production costs accounted for by labour increased from 47 per cent in 2009 to 57 per cent in 2013. (SATI Statistical Booklet, 2009, 2010, 2014).⁴⁹

In contrast to the sharp increase in production costs, average producer prices of table grapes exported to the UK increased by only 22 per cent from 2009 to 2012. Exchange rate fluctuations are a significant source of price risk to farmers in the area, considering that close to 90 per cent of table grapes produced in the area are sold on export markets.

While table grape producers are well-organised when it comes to providing technical information for the industry and lobbying for access to markets, there is little if any collective action to increase their bargaining power with buyers of their produce. In 2011, an analysis of the value chain distribution of final retail price for table grapes from Hex River Valley to the UK showed that 42 per cent of final retail price is captured by supermarkets, 22 per cent goes to distribution, whilst 18 per cent is received by producers (26 per cent if packhouses are included) (Barrientos & Visser, 2012).

As the result of an increasing squeeze on their margins, from 2009 to 2014 the number of table grape producers in the Western Cape declined by 40 per cent and by 49 per cent in the Hex River area (SATI statistical booklet, 2014). As farmers exited the industry, many of their farms were purchased by other farmers in the valley, leading to an increase in average farm size.

Overtime, but especially during the last five years, the demand for table grapes has switched from seeded to seedless varieties, a trend that has been reflected sharply in prices. In 2012 the price for seedless varieties was about 30 per cent more than that for seeded. Younger table grape growing regions such as the Orange River have always had a high percentage of seedless varieties, whereas the Hex River - the oldest grape producing region in the country - traditionally focused on seeded varieties. However, the Hex River has been catching up fast. In the last five years since 2009/10, the intake of black seedless grapes has increased by 140 per cent and that for red seedless by 34 per cent. In contrast, the intake of white seeded varieties has decreased by 57 per cent.

Seedless varieties not only fetch higher prices, but they also require less labour as they can be chemically thinned by spraying gibberalic acid - a natural plant growth regulator. This process reduces fruit set and cluster compactness, which reduces some of the labour needed during the preparation phase before harvesting. A large farmer in De Doorns estimated that the labour costs association with vineyard preparation of seedless varieties costs up to a third less than that of seeded varieties. The downside of seedless varieties is that expenditure on chemicals is higher and seedless varieties tend to have lower yields than seeded varieties.

⁴⁸ South African Table Grape Industry statistical booklet, 2012.

⁴⁹ Information on average expenditures are collected by SATI who contacts farmers to get average data on input costs. The data collected from farmers are not audited, but is a broad indication of cash expenditure.

Table grape farming regions that predominantly produce seedless varieties tend to have a lower percentage of permanent workers than seeded grape farming areas. For example, in the Orange, Berg and Olifants River regions, less than 20 per cent of the workforce is permanent. Statistics reported in Table 2.2 indicate that compared to other table grape farming areas, De Doorns was slow to embark on the trend towards casualization, possibly because it has traditionally been a producer of seeded varieties. The stark shift towards casualization in 2009/10 in De Doorns may be related to a change in grape varieties produced there, but it is likely that other factors also played a role. In particular, casualization of the labour force is a financial risk reducing strategy aimed at reducing the proportion of costs that are fixed. Considering that the area experienced disastrous flooding of the previous year, and that the price of table grapes had declined by R10/carton following the onset of the recession in Europe in 2008, risk management may well have been an important consideration in farmers' decisions. Moreover, the switch to seasonal labour may have reduced costs of labour because seasonal labour are typically not housed on farms, typically earn less than permanent workers, and do not enjoy the same benefits, such as access to a pension fund.

Table 2.2: The ratio of seasonal workers to permanent workers in table grape production by production region, 2008/9 - 2011/12

(Labour statistics obtained from SATI statistical yearbooks: 2008/9 to 2011/12).

Region	Seasonal workers : permanent workers			
	2008/9	2009/10	2010/11	2011/12
Berg	16:84	16:84	16:84	16:84
Hex River	61:39	33:67	35:65	34:66
Northern Province	33:67	33:67	22:78	22:78
Olifants River	18:82	17:83	19:81	18:82
Orange River	15:85	15:85	12:88	11:89
Average	27:73	22:78	20:80	19:81

The total area planted to apples orchards in South Africa stood at 22 501 ha in 2013, an increase of 8.5 per cent since 2008. From 2004 to 2013 apple exports increased 29 per cent. In 2012, about 42.5 per cent of apples harvested were exported, 28.1 per cent were sold in the local market, 29.2 per cent were processed, and 0.2 per cent were dried. The primary export markets for apples in 2013 were the UK (27%), African countries (27%), the Far East and Asia (20%), and EU & Russia (14%), with the remainder going to the Middle East, the Indian Ocean Islands and the USA and Canada.

Nominal costs of production and packaging of apples and pears on a per carton basis increased by 107 per cent for apples and by 85 per cent for pears from 2003 to 2013. Over the same ten year period, the general level of prices in the economy increased by just under 72 per cent. In other words, the costs of production and packaging of apples and pears increased in real terms. Figure 2.9 shows that over the same time period, the nominal cost of labour per carton increased by 448 per cent for pears and by 487 per cent for apples. From 2012 to 2013 alone, these costs rose by 60 per cent for pears and 68 per cent for apples. Importantly, the proportion of production and packaging costs accounted for by labour increased from less than ten per cent to more than 25 per cent for both fruits.

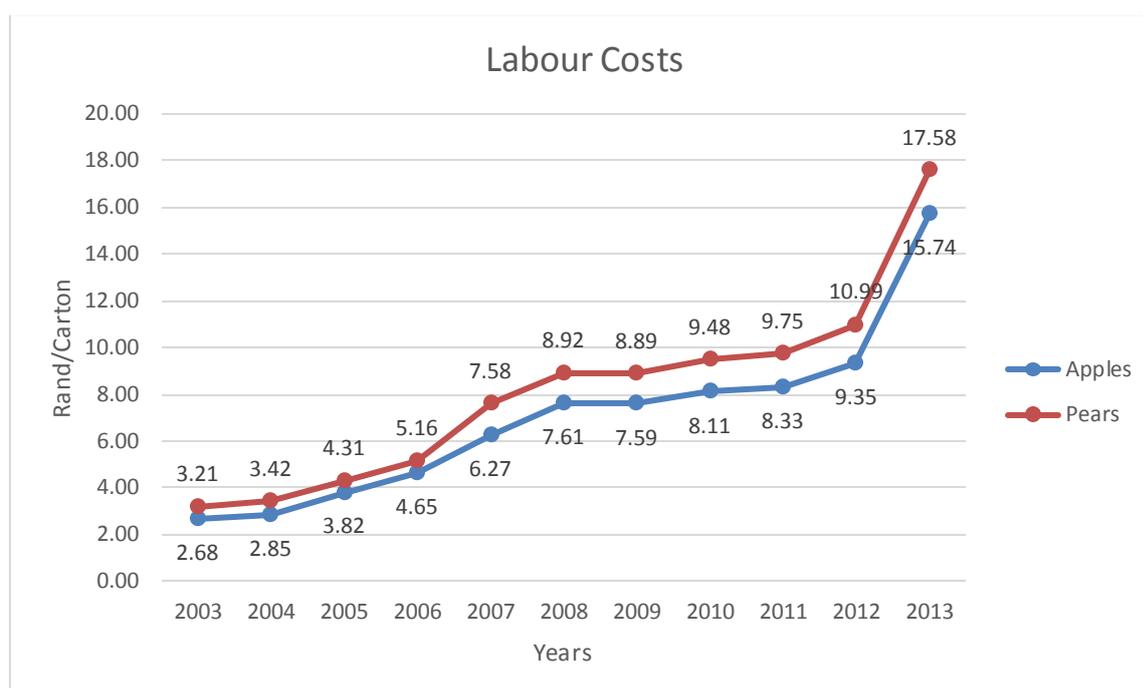


Figure 2.9: Labour costs per carton by commodity, 2003-2013.

Source: Hortgro

Figures 2.10 and 2.11 report trends in the export perspectives per equivalent carton for apples and pears for the period 2003-2013 after adjusting values for inflation. In brief, the graphs show how the distribution of the sales price at each level of the value chain. The share of the sales price that

⁵⁰ Information presented in this section was obtained from Horgro.

accrues to the farm is Net Farm Income (NFI), which is the return to the farm before deducting costs foreign factor costs (i.e., interest, rent and management). It is computed as follows:

	Sales Price
-	Receiver Cost
-	Receiver Commission
-	Delivery Price Receiver
-	Delivery Cost
=	CIF
	<hr/>
-	Shipping Cost
=	FOB
	<hr/>
-	Exporter Commission in Rand
-	Local Cost
=	DIP
	<hr/>
-	DFPT Levies
-	PPECB
-	Production & Packaging costs/carton (excl. labour costs)
-	Labour costs/carton
=	NFI
	<hr/> <hr/>

NFI as a proportion of the sales price averaged 10.8 per cent for pears and 11.3 per cent for apples. NFI as a proportion of the sale price was exceptionally high in 2008 (28.0% for pears and 26.5% for apples) and particularly low in 2011 (2% for pears and 4.5% for apples). 2008 was an above average year due to a favourable exchange rate and high prices on export markets. In absolute terms NFI per carton was lower on average for the five years preceding 2008 than it was for the five years following 2008.

Between the last ten years (up to 2013) the average final retail price of a box exported apples has increased by 121 per cent while the total value of production has increased by 160 per cent. However, the Net Farm Income of producers – the percentage of the final retail price of an average 12.5 kg carton of apples producers received of the final retail price after all costs have been deducted – fluctuates a great over time, as can be seen, depending on the exchange rate, marketing conditions and the supply of fruit in the northern hemisphere countries, which provides a lot of instability. We can also see that over time, the percentage of the final retail price that producers received has never been more than 27.5 per cent for apples and 29.4 per cent for pears. In fact, in six of the eleven years in 2003, the percentage that producers got from the final retail price were less than 6 per cent for apples and less than 9 per cent for pears.

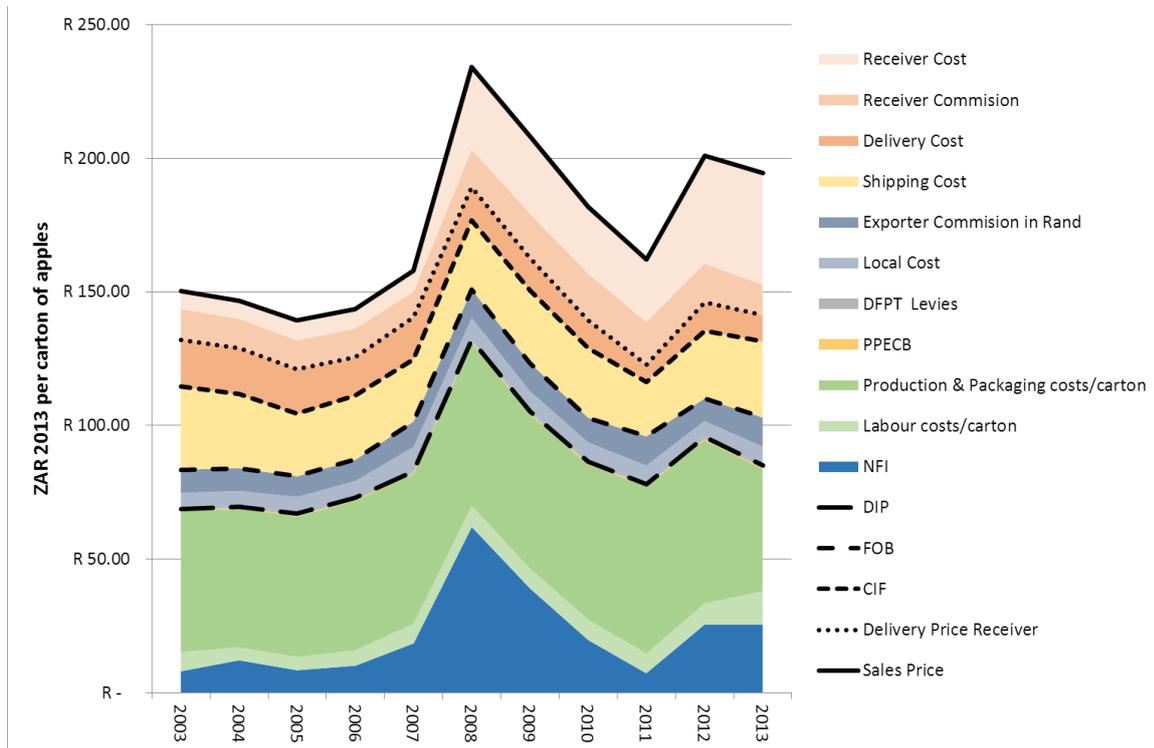


Figure 2.10: Export perspectives per equivalent carton: apples, 2003-2013.

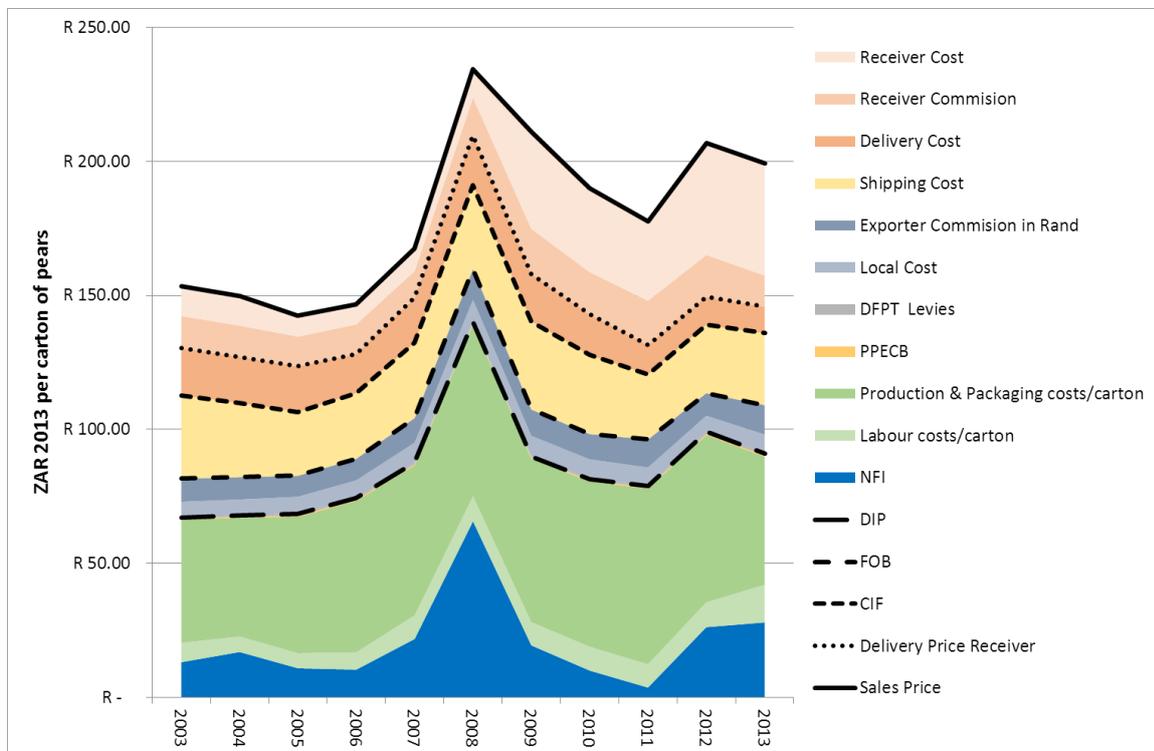


Figure 2.11: Export perspectives per equivalent carton: pears, 2003-2013.

Hortgro estimates that a sustainable size for a pome farm is in the region of 40 – 60 ha. BFAP (2013) estimated that two-thirds of the farms in the pome industry are smaller than 40 hectares, and that a substantial increase in farm workers’ wages was likely to promote the consolidation of farms to take advantage of economies of size, and that this would “*have a far [reaching] impact on the size structure of farms*”.

According to Hortgro (Table 2.3), the number of workers needed per ha in apple and pear production remained fairly constant over the past six years at 1.25 “permanent equivalents” for apples and 1.26 “permanent equivalents” for pears, where a “permanent equivalent” is approximately 300 man days per year (i.e., the quantity of labour provided by a worker employed on a full time basis). Whilst measuring employment as permanent equivalent units has its advantages, it does obscure the extent of casualization that has occurred in the industry.

Table 2.3: Employment per hectare (permanent worker equivalents) in deciduous fruit production, 2003-2013.

Fruit	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Apples	0.80	1.25	1.37	1.25	1.12	1.25	1.25	1.25	1.25	1.25	1.25
Pears	0.79	1.26	1.26	1.26	1.26	1.26	1.26	1.26	1.26	1.26	1.26
Peaches	0.83	1.20	1.20	1.20	1.20	1.20	1.20	1.20	1.20	1.20	1.29
Plums	0.76	1.32	1.32	1.48	1.47	1.47	1.46	1.43	1.43	1.32	1.44
Apricots	0.91	1.10	1.10	1.10	1.10	1.10	1.10	1.10	1.10	1.10	1.20
Nectarines	0.80	1.25	1.25	1.25	1.25	1.25	1.25	1.25	1.25	1.25	1.30
TOTAL	0.81	1.24	1.29	1.25	1.19	1.25	1.25	1.25	1.25	1.25	1.28

Eastern Cape

With respect to employment in agriculture, the Eastern Cape is a medium sized province. Figure 2.12 shows that during the period from the first quarter of 2008 to the third quarter of 2014, total employment in the sector ranged 46 000 to 89 000, with an average of 71 600. During that period employment in the agricultural sector in the Eastern Cape declined at an average rate of 1288 jobs per annum (1.8% of average employment). The rate of labour shedding was not constant over time. The level of mechanization in agriculture in the Eastern Cape is low compared to the national average⁵¹. Estimated employment of workers in elementary occupations in the sector spiked in the first half of 2013. Notwithstanding that spike, employment of elementary workers in the sector has steadily increased over the past two years.

⁵¹ The level of mechanisation is measured as the ratio of people employed as machine operators and assemblers to those employed in elementary occupations in the sector. The Eastern Cape ranks 8th out of the nine provinces with an average value of 0.064 for the period 2008Q1 to 2014Q3 compared to a national average of 0.112.

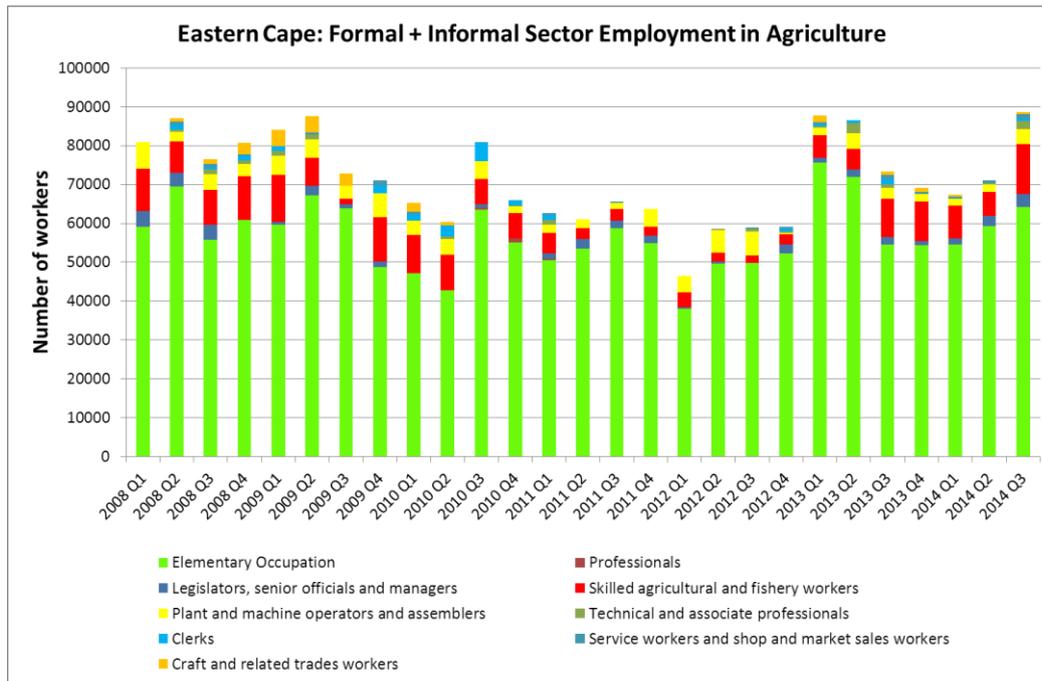


Figure 2.12: Employment in the agricultural sector in the Eastern Cape by main occupation group, 2008-2014 (Source: Quarterly Labour Force Survey, 2008-2014)

One case study was conducted in the Eastern Cape. The remainder of this section provides context for citrus production in South Africa, and in particular in the Sundays River Valley (SRV).

Background to the citrus industry in Sundays River Valley

Citrus growing began in the early 1900s in Sundays River Valley. The wide fertile flood plain and frost-free winters are ideal for citrus production, and all varieties of citrus flourish here. The micro-climate is particularly favourable for soft citrus and lemons. The Sundays River Irrigation Scheme was completed in the 1920s and provides a reliable source of year round water that enabled the industry to expand into the largest single area of citrus production in the country. Another advantage is the proximity of the area to the port of Coega, some 80km away. As a result of these favourable conditions the citrus growers of Sundays River deliver 20 per cent of SA’s current export crop of 100m cartons per annum⁵².

The Sundays River Citrus Cooperative (SRCC) was first established in 1924. The first packhouse was established in Hermitage, close to the settlement of Addo. Up until the deregulation of the industry in 1997, all citrus produced in the valley was packed, distributed and marketed through the SRC Co-op.

The South African citrus industry was built through support provided by an Industry Board and single channel marketing system. During its hey-day, the Citrus Exchange controlled more than half of the southern hemisphere’s citrus crop, placing it in a powerful position to control prices, even in relation to the growing power of European retailers (Mather & Greenberg, 2003). Packing levies were used

⁵² Pieter Nortje, CGA

to fund an infrastructure of high quality essential services including nurseries, research and extension, and distribution and marketing facilities.

In the Eastern and Western Cape, where orchard sizes were relatively smaller than those in the rest of the country, growers established large co-operative pack houses and distribution facilities; pooling their resources to take advantage of economies of scale. The single channel state regulated marketing system began to be disbanded in the early 1990s, and the Citrus Board was finally dissolved in 1997, opening the way for independent marketing agents (Mather and Greenberg, 2003). Initially, this led to a proliferation of marketing companies and agents, and a period of chaos and disruption, according to key informants in the valley. Marketing arrangements gradually settled down and have since re-stabilised. Larger, better-resourced producers have been able to take advantage of de-regulation to access markets more directly, and get better prices through targeting niche and higher value markets. Many have established their own pack-houses and marketing businesses, and have adopted a 'de-commoditisation' approach, growing higher value patented varieties that command better prices⁵³. There are now some 14 pack houses in the Valley, including some that are amongst the largest and most technologically advanced in the world. Two juice factories process about 150 000 tons of unsaleable fruit, generating an additional R150m in revenue for local producers. A number of producers have shares in the juice factories.

De-regulation removed a degree of protection previously enjoyed by smaller and less successful farmers in the bulk, pooled, single channel marketing system. Escalating costs of production combined with less advantageous prices led to increased financial pressures. Many have resorted to selling, or to diversifying their production and income sources (Mather & Greenberg, 2003). The proximity of the area to the world-renown Addo Elephant Park opened up opportunities for local citrus farmers in the tourism hospitality industry. Many smaller citrus farmers now run B&Bs and other tourism-based small enterprises.

Citrus is the third largest horticultural industry in South Africa, after vegetables and deciduous fruits (DAFF, 2011). The national Gross Value of Production (GVP) of citrus has been increasing over the past ten years – from R2,5 Billion in 2001 to R6,5 Billion in 2010, as a result in the increase in export volumes and the weakening Rand (DAFF, 2011). Overall production of fresh fruit increased by 41 per cent between 2004 and 2013 (CGA, 2014). The largest percentage increase was for oranges- 52 per cent. Export volumes increased at a higher rate; 45 per cent increase in exports of fresh citrus in the same period. Although South Africa is only ranked number 12 in world fresh citrus production, it is the number two world exporter (after Spain). Although the production in China and Brazil dwarfs that in SA, both countries produce mainly for their domestic markets. Brazil, for example, exported only 0,2 per cent of their orange crop in 2010 (DAFF, 2011).

The South African citrus industry exports the majority of all citrus varieties produced. In 2010, 73 per cent of oranges, 77 per cent of soft citrus, 55 per cent of grapefruit, 66 per cent of lemons and limes produced were exported (DAFF, 2011). Most fruit not exported goes to juice, with only a small proportion going to domestic fresh fruit sales. In 2013, 70 per cent of the national citrus crop was exported, 21 per cent went to processing and 9 per cent to local fruit markets (CGA, 2014). Returns are considerably higher for the export crop; in 2010, for example, export orange prices were

⁵³ Interview with James Hannah, prominent grower in the valley

2.5 times higher than the National Fresh Produce Market, and 11 times higher than processing/juice (DAFF, 2011). To maximise returns, therefore, only fruit that does not meet export requirements is sold on domestic markets, and unsalable fruit is juiced.

Although prices are variable year on year with spikes and dips, overall, prices have increased in the past decade, particularly the price of fresh fruit (both export and domestic) (DAFF, 2011). The export prices of oranges, lemons and soft citrus have all more than doubled since 2004, and the grapefruit price has increased by just over 50 per cent (CGA, 2013). Domestic prices for fresh fruit increased by similar margins, although the lemon price nearly tripled (272%).

The Citrus Growers Association (CGA) was established in the wake of de regulation and the closure of the Citrus Exchange. The primary mission of the CGA is to improve market access for citrus exporters. One of the main trends in the past ten years has been the opening up of new markets overseas, thereby spreading risk and reducing dependence on European markets. In 2003, South African citrus crop was exported to Northern Europe and UK (34%); Middle East (20%) Russia (12%) Far East (9%) Southern Europe (8%), Asia (7%), Canada and USA (6%). The threat of an EU ban on imports of SA Citrus as a result of Citrus Black Spot disease has provided an extra impetus to diversify markets. In September this year South Africa stopped exports to the EU in order to pre-empt an imminent ban. The industry view, supported by Government, is that the EU measures have more to do with protectionism than plant safety, particularly since South African citrus competes directly against that from Spain in the latter part of the season⁵⁴. The risk of an EU ban for the 2015 season continues to hover, and present a threat to exporters and the viability of the industry.

Although no industry-specific figures were sourced for this report, it is evident that input costs increased substantially, given the sharp increase in electricity tariffs, labour, and agricultural inputs. In the 2012 CGA Annual Report, the CGA Chair cautioned that increasing inputs costs threatened the sustainability of the industry (CGA, 2012).

Being an export-oriented industry, citrus producers are exposed to strong competition in overseas markets, and to stringent quality, food safety and phyto-sanitary standards. In addition, retailers demand compliance with a plethora of private quality, food safety, ethical and other certification standards. The trend towards concentration and consolidation of global retail chains has led to greater quality and quantity demands, and a dampening on price increases (DAFF, 2011). These pressures, combined with support from government and cross subsidies from co-ops has made it increasingly difficult for smaller and less successful producers to survive, whilst favouring larger producers with good links into global markets (Mather and Greenberg, 2003). Overall, as we have seen, the value of the sector has grown considerably, but growing pressures on producers has led to differentiation between those who succeed and grow, and those who become more and more indebted and eventually go out of business, or switch to other enterprises (Mather and Greenberg, 2003).

The citrus industry does not keep statistics on employment numbers and trends. According to the CGA promotional brochure, the industry employs about 100 thousand people (CGA, 2012). The

⁵⁴ <http://www.bdlive.co.za/business/trade/2014/07/24/citrus-black-spot-still-haunts-local-industry>

growth trends in production and export would however suggest a parallel growth in employment. Citrus is a labour intensive crop, with very limited opportunity for mechanisation. The expansion in pack-houses since de-regulation is likely to have added significantly to employment figures. Rising costs of production and stronger competition on global markets has driven greater efficiencies and cost cutting measures amongst producers. One such measure has been a reduction in the number of permanent jobs, replacing these with seasonal employment wherever possible. This trend has been noted in both pack-houses and farms (Mather & Greenberg 2003) and evidence for this was also found during this research and is discussed further below.

The period 2004 -2014 has seen a continuation of the market trends that emerged as a result of deregulation of the industry; the growing power of overseas retailers, and increasingly stringent retailer requirements on producer standards. The main trend has been an increasing differentiation between larger, more successful producers, many with their own pack houses, distribution and marketing facilities, and the smaller and less successful growers who market through SRCC and are not able to take full advantage of price premiums and direct links with retailers.

Production of citrus in SRV has increased from 9 to 21 million cartons over the past 10 years, generating R1,6bn in foreign revenue⁵⁵. Area under citrus has increased over the same period; orchards are now some 12,500 hectares in extent, producing about 20 per cent of the national export volume of citrus (SRCC, nd). Further expansion of orchards is limited by water rights. The remaining capacity of the irrigation scheme, a further 3000 hectares of irrigation water rights, is currently not available to current users. The CGA has made a representation to National Government in this regard (see section 14).

The past ten years has seen a significant change in the varietal mix within orchards. New varieties have been introduced in response to changing consumer demands, the need to spread risk and widen the production season. There has been an expansion in soft citrus (naartjies and other easy peelers) and lemons, relative to oranges. The valley produces the best quality lemons in the country, and large proportion of the national soft citrus crop.

Input prices have increased substantially over the past 10 years. Those interviewed estimated of increases of between 120 and 220 per cent over ten years. Prices of all citrus varieties fluctuate seasonally, as a result of two factors: the exchange rate and the export market prices. Export market prices are strongly influenced by the level of production in the main citrus producing export regions worldwide. This year, for example, the lemon crop in Argentina failed due to adverse weather conditions. The price of lemons has increased to such an extent that the citrus farmers of SRV call it their “yellow gold”. In 2012, SRV farmers were getting R80 a carton for lemons. This year, the same carton fetches R265.

Both these factors (exchange rate and world prices) are outside of the control of growers. They cash-in some years, and take a knock other years. Managers of all five farms visited said their profits had increased overall during the last ten years, but this was mainly because all had increased the area under citrus, through expanding orchards on their existing holdings, and/or purchasing or leasing

⁵⁵ Interview, Pieter Norjie, CGA

additional farms. This reflects the trend towards consolidation; reducing risk, and riding out the bad years through increased volumes and improved economies of scale. The expansion in orchards also suggests optimism about the long-term profitability of the crop, even if only amongst those producers best placed to reap the rewards.

Although overall, there is more money to be made from citrus, profits are highly variable year on year depending mainly on prices and the exchange rate. For example, the Net Income for the Sunday's River Farming Trust has fluctuated widely since 2007 when the venture began, despite fairly even levels of production. Income was down by 50 per cent in 2009, increased by 84 per cent in 2010, declined by 22 per cent in 2011 and then increased again for the next two seasons (32% and 33%).

Northern Cape

With respect to employment in agriculture, the Northern Cape is a small province. Figure 2.13 shows that during the period from the first quarter of 2008 to the third quarter of 2014, total employment in the sector ranged 32 000 to 71 000, with an average of 49 200. During that period employment in the agricultural sector in the Northern Cape declined at an average rate of 2878 jobs per annum (5.6% of average employment). The rate of labour shedding was not constant over time. The level of mechanization in agriculture in the Northern Cape is low compared to the national average⁵⁶. Estimated employment of workers in elementary occupations in the sector spiked in the first half of 2013. Notwithstanding that spike, employment of elementary workers in the sector has steadily increased over the past two years.

⁵⁶ The level of mechanisation is measured as the ratio of people employed as machine operators and assemblers to those employed in elementary occupations in the sector. The Northern Cape ranks 6th out of the nine provinces with an average value of 0.087 for the period 2008Q1 to 2014Q3 compared to a national average of 0.112.

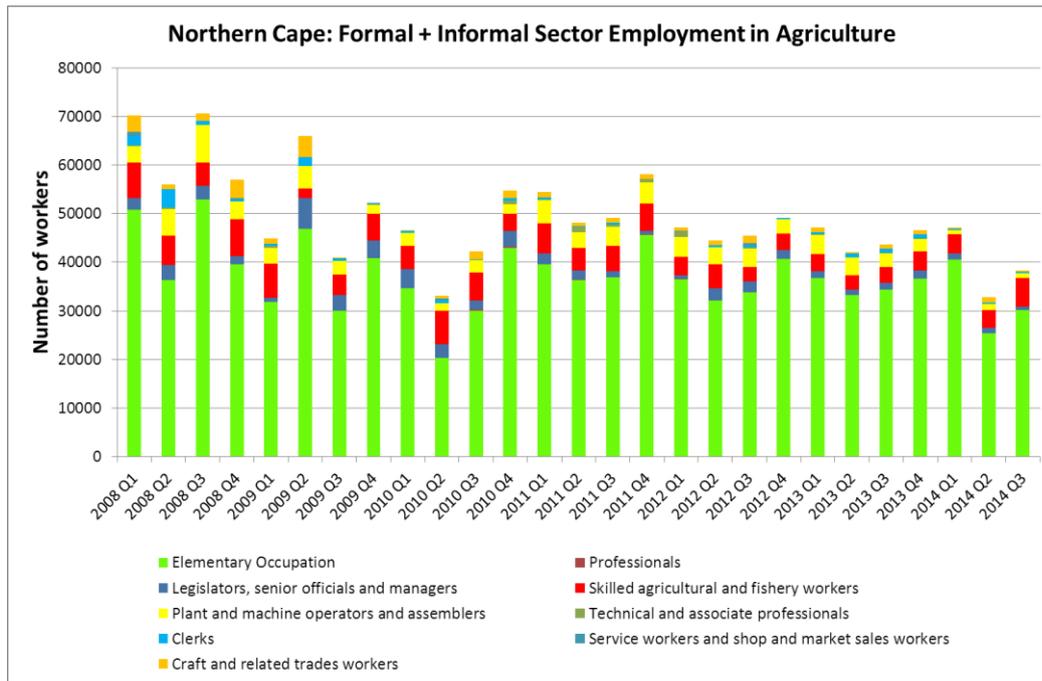


Figure 2.13: Employment in the agricultural sector in the Northern Cape by main occupation group, 2008-2014 (Source: Quarterly Labour Force Survey, 2008-2014)

No case studies were conducted in the Northern Cape Province towards this research project.

The Free State

With respect to employment in agriculture, the Free State is a medium-to-small sized province. Figure 2.14 shows that during the period from the first quarter of 2008 to the third quarter of 2014, total employment in the sector ranged 55 000 to 93 000, with an average of 72 100. During that period employment in the agricultural sector in the Free State declined at an average rate of 3501 jobs per annum (4.9% of average employment). The rate of labour shedding was not fairly constant over time, excluding an unexpected spike in estimated employment in the first quarter of 2013. The level of mechanization in agriculture in the Free State is high compared to the national average⁵⁷. Estimated employment of workers in elementary occupations in the sector spiked in the first half of 2013. Notwithstanding that spike, employment of elementary workers in the sector has steadily increased over the past two years.

⁵⁷ The level of mechanisation is measured as the ratio of people employed as machine operators and assemblers to those employed in elementary occupations in the sector. The Free State ranks 2nd out of the nine provinces with an average value of 0.263 for the period 2008Q1 to 2014Q3 compared to a national average of 0.112.

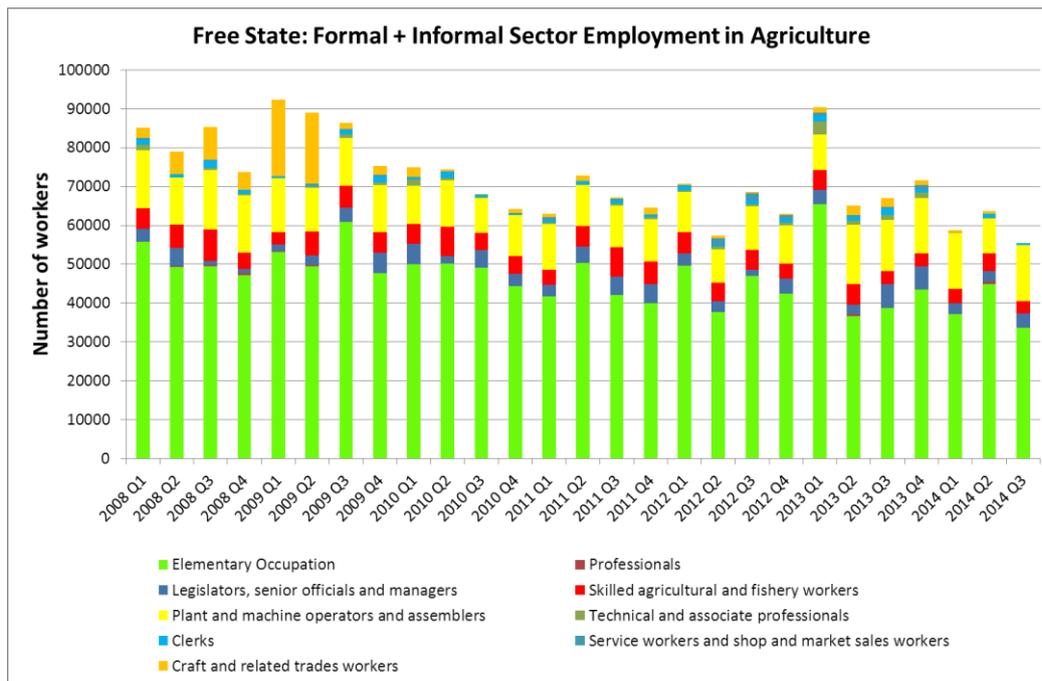


Figure 2.14: Employment in the agricultural sector in the Free State by main occupation group, 2008-2014 (Source: Quarterly Labour Force Survey, 2008-2014).

One case study was conducted in the Free State. The remainder of this section provides some context for maize production in South Africa.

Background information on grain production in South Africa

Figure 2.15 presents recent trends in gross value of production for various field crops, including maize, in South Africa from 2001/02 to 2012/13. It is evident that, firstly, the maize industry is considerably larger than the wheat, sunflower and soybeans industries; and secondly, that the gross value of maize production fluctuates considerably. The fluctuation in value is attributable to both yield and price risks. Yield risks are high because the majority of maize production is rain-fed, and the climate of summer grain producing areas is subject to a high degree of rainfall variability.

Grain production is heavily dependent on the use of chemical fertilizer. Fertilizer costs tend to account for 25 per cent of the total variable costs for producers and about 13 per cent of gross production value in crop production in South Africa. Increasing real fertilizer prices over the past decade have prompted farmers to achieve improved efficiency in the use of fertilizer, inter alia through the use of “precision farming” methods. These methods involve the use of increasingly sophisticated equipment combined with information technology (Maine, et al., 2004).

The maize price for SA producers is heavily dependent on production figures in the USA. In 2013 and 2014 the USA recorded record yields, which placed downward pressure on world maize prices.

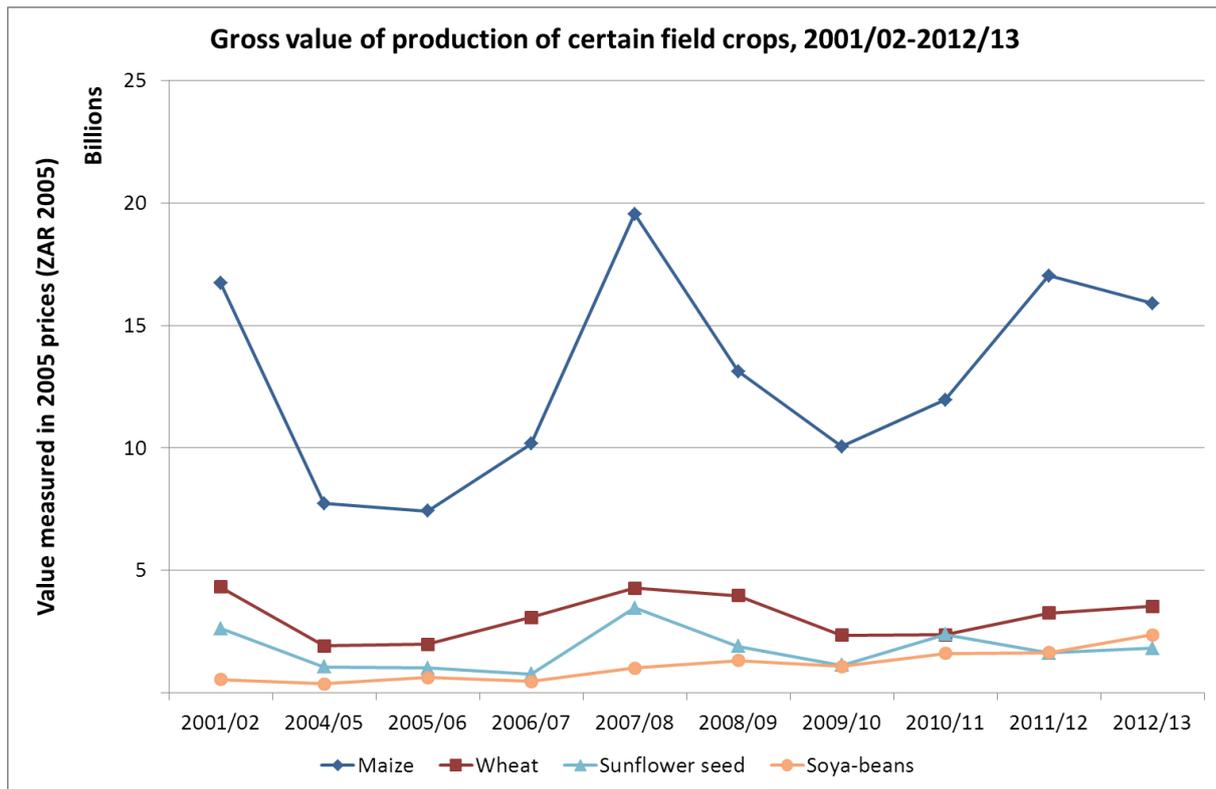


Figure 2.15: The gross value of production of maize, wheat, sunflowers and soybeans in South Africa, 2001/02-2012/13

Source: Abstract of Agricultural Statistics (2014).

The North West Province

With respect to employment in agriculture, the North West Province is a small province. Figure 2.16 shows that during the period from the first quarter of 2008 to the third quarter of 2014, total employment in the sector ranged 32 000 to 68 000, with an average of 43 100. During that period employment in the agricultural sector in the North West Province declined at an average rate of 2558 jobs per annum (5.9% of average employment). The rate of labour shedding was not fairly constant over time, excluding an unexpected spike in estimated employment in the first quarter of 2013. The level of mechanization in agriculture in the North West Province is high compared to the national average⁵⁸. Estimated employment of workers in elementary occupations in the sector has increased subsequent to the revision of the Sectoral Determination 13 in the first quarter of 2013. spiked in the first half of 2013.

⁵⁸ The level of mechanisation is measured as the ratio of people employed as machine operators and assemblers to those employed in elementary occupations in the sector. The North West Province ranks 1st out of the nine provinces with an average value of 0.277 for the period 2008Q1 to 2014Q3 compared to a national average of 0.112.

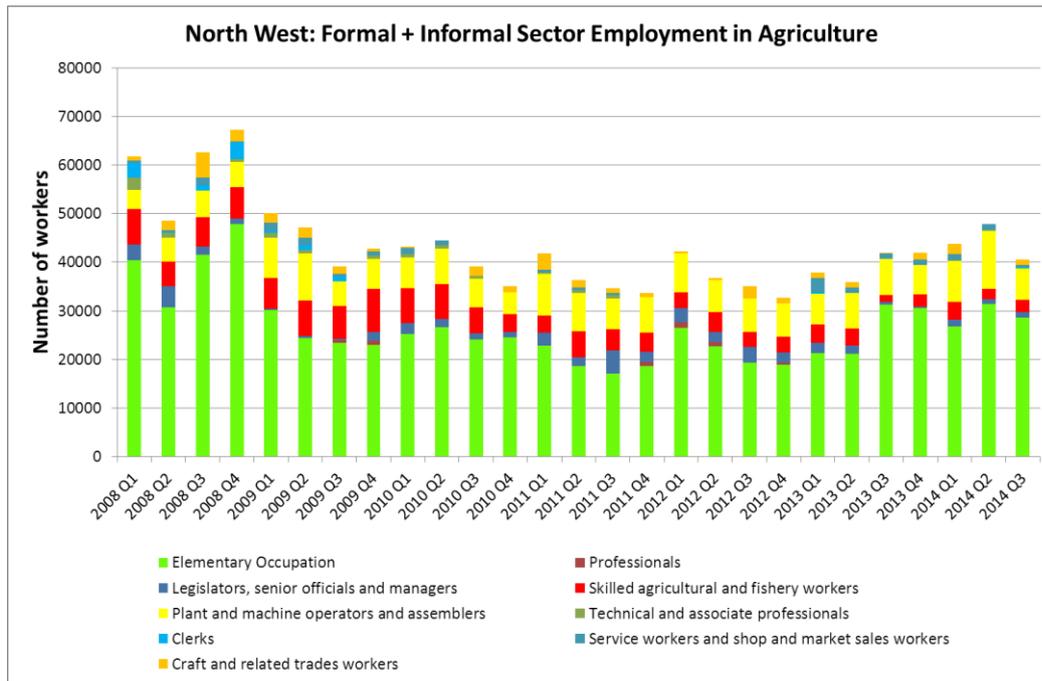


Figure 2.16: Employment in the agricultural sector in the North West Province by main occupation group, 2008-2014 (Source: Quarterly Labour Force Survey, 2008-2014).

One case study was conducted in the North West Province. The remainder of this section provides context for farming in the Ventersdorp area.

Background information on the Ventersdorp case study

The municipal area of Ventersdorp covers an area of 3 764 km² with the following main land use categories:

- Urban development 3.41 per cent;
- Industries and mining 0.2 per cent;
- Agricultural dry land 41.8 per cent,
- Agricultural Irrigation 1.3 per cent
- Agricultural Intensive Livestock 27 per cent
- Agricultural Extensive Livestock 26 per cent (Ventersdorp 2011: 15).

According to the 2011/2012 Integrated Development Plan (IDP) of Ventersdorp, agriculture contributes 49 per cent to the total economy of the Local Municipality. However, according to the Ventersdorp Local Municipality IDP, growth in agriculture has been stagnant. The food processing sector, which is heavily dependent on agriculture for its inputs, has also stagnated (Ventersdorp 2011:14).

The resource base for agriculture in the Ventersdorp municipal area extends to an area of 330 500 ha. This includes 106 807 ha or 28.6 per cent cultivated land, of which 87 207 ha is prime agriculture land. The largest section of the municipal area consists of unimproved grassland. Agriculture is

dominated by large scale commercial farming, specializing in the production of grains, cereals and beef and mutton. There is insignificant small scale farming activities (Ventersdorp 2011: 14).

Ventersdorp Local Municipality could be regarded as a central strategic grain crop production hub; this could include the current commercial farmers' own output, as well as their contribution to the economy of the town of Ventersdorp (Ventersdorp 2011: 14). The IDP for Ventersdorp regards agriculture as an important avenue for future development (Ventersdorp 2011: 18). Key strengths are the availability of prime agricultural land, good grazing and soil conditions, sufficient water, good agricultural skills and expertise, agricultural infrastructure (silos, road and rail).

The profit margins of crop farmers in the North-West are increasingly coming under pressure. For this reason, marginal land is more and more used for livestock farming. The application of "precision farming" is advocated by organisations such as Senwes, to increase the profitability of farming (Senwes, 2014).

In the North-West Province, the average grain output for dryland farming is as follows:

- Mealies: 3 - 5.5 ton per ha
- Sunflower: 1–5.5 ton per ha
- Peanuts (ground nuts): 0.9 – 2 ton per ha.

For irrigated land, output is as follows:

- Mealies: 10 – 12 ton per ha
- Wheat: 5 – 6 ton per ha.

Cattle ranching is an important aspect of the farming economy, and constitutes 30-50 per cent of farming turnover. Cattle farmers are typically cross-breeds, but there are stud farms for specific meat cattle. There are a few small stock farming units. Small dairies are increasingly rare. Small stock farming is typically aimed at lamb production, with a few farms with wool production, typically as part of an integrated farm with mealies and lucerne crop rotation. Planted pastures are used for value-added production, and crop residues are often used for livestock feeding (Senwes, 2014).

Net profits and losses, per hectare, as calculated for the 2012/21013 production season, are as follows:

- Maize: - R417 to R3 641 per ha
- Sunflower: R1 121 to R4 796 per ha
- Ground nuts: R1 048 to R9 530 per ha
- Extensive cattle farming: R1 018 to R2 090 per Large Stock Unit
- Extensive sheep farming: R260 to R553 per Small Stock Unit.

Productive values for land vary between R2 100/ha for grazing veld to R8 700/ha for tillable land. Typically, production overhead costs represent about 25 per cent to 30 per cent of farming turnover.

Some notable agricultural trends in the Ventersdorp area include the following:

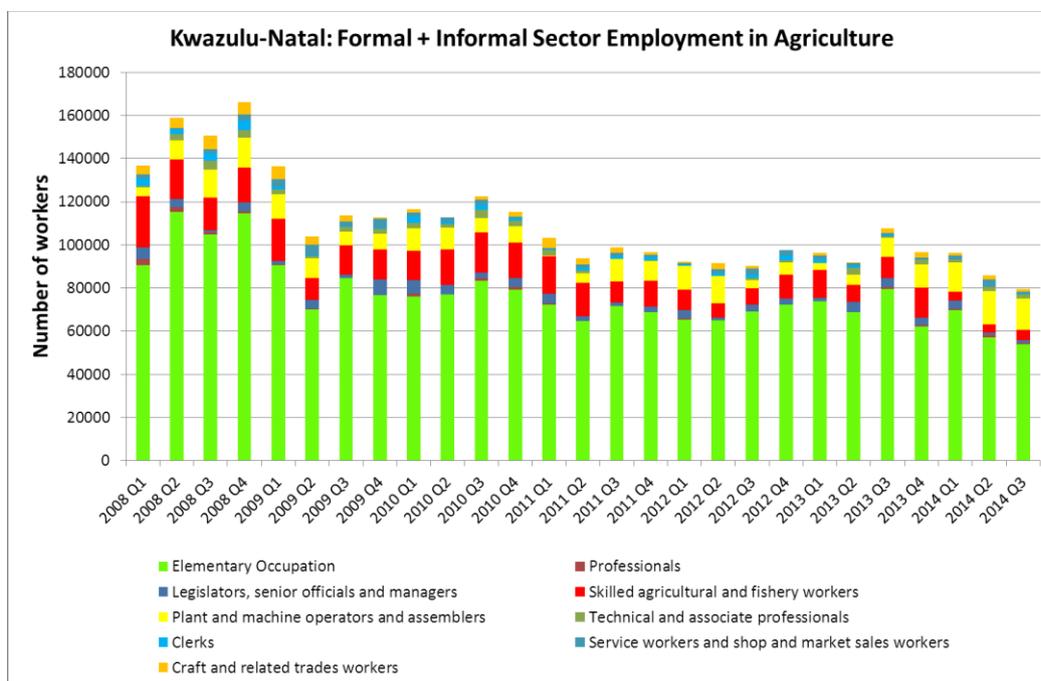
- There is a growing shift towards no-till cropping (conservation agriculture), which makes farming more resilient (Smith, 2014). It is not clear what the labour implications of no-till

cropping will be. Labour may be reduced for tilling, but additional labour may be required for weed control.

- Increasingly, farmers are turning to diversification as a strategy. Enterprises on farms in the region include maize, dry beans, sunflower and livestock (Farmers Weekly, 2010).
- In 2013, Ventersdorp was ranked as one of the 19 stock-theft hotspots in the country (Farmers Weekly, 2013).

KwaZulu-Natal

With respect to employment in agriculture, the KwaZulu-Natal is a large province, although its ranking declined from 2nd out of nine in 2008 to 4th or 5th in 2014. Figure 2.17 shows that during the period from the first quarter of 2008 to the third quarter of 2014, total employment in the sector ranged 79 000 to 167 000, with an average of 110 000. During that period employment in the agricultural sector in KwaZulu-Natal declined at an average rate of 9394 jobs per annum (8.5% of average employment). Employment of workers in elementary occupations and skilled workers has declined at rates of 5992 jobs per annum and 1953 jobs per annum, respectively, whilst employment of plant and machine operators and assemblers increased at an average rate of 140 jobs per annum. The rate of labour shedding was fairly constant over time, although it appears to have accelerated post revision of the Sectoral Determination in February 2013. The level of mechanization in agriculture in KwaZulu-Natal is similar to the national average⁵⁹.



⁵⁹ The level of mechanisation is measured as the ratio of people employed as machine operators and assemblers to those employed in elementary occupations in the sector. KwaZulu-Natal ranks 4th out of the nine provinces with an average value of 0.120 for the period 2008Q1 to 2014Q3 compared to a national average of 0.112.

Figure 2.17: Employment in the agricultural sector in KwaZulu-Natal by main occupation group, 2008-2014 (Source: Quarterly Labour Force Survey, 2008-2014).

One case study was conducted in KwaZulu-natal. The remainder of this section provides context for sugarcane production in South Africa, and in particular in the Mkhambathini Local Municipality.

Background information on sugarcane production and the case study locality

The sugar industry is one of the few agricultural industries in South Africa that remains highly regulated. Whereas most agricultural commodities fall under the umbrella of the Department of Agriculture, sugarcane is housed with the Department of Trade and Industry because sugarcane farming is inseparable from sugarcane milling. This regulation has enabled the industry to establish and maintain structures that provide substantial support to sugarcane farmers and sugar millers, including export marketing of sugar, research and development, etc.

Although sugarcane is used to produce more than 50 products, in terms of the Sugar Act of 1978 and the Sugar Industry Agreement of 2000, the price received by farmers for sugarcane are determined only by the proceeds of sugar and molasses sold on the domestic market, and sugar sold on export markets. In terms of the division of these proceeds between sugar millers and sugarcane producers, sugar and molasses sold on domestic markets are valued at a notional price that is determined by structures of the South African Sugar Association (SASA). SASA, and not the sugar milling companies, are responsible for sale of sugar on export markets. Farmers are paid for sugarcane based on an industry determined price, known as the Relative Value (RV) Price, which takes into account both the quantity and the quality of each consignment of sugarcane delivered to the sugar mill.

Employment in sugarcane farming in South Africa

Direct employment in the Sugarcane Industry (sugarcane farming plus sugar milling) accounts for approximately 0.9 per cent of total employment in South Africa, 5.1 per cent of total employment in KwaZulu-Natal plus Mpumalanga, and 18 per cent of total agricultural employment in South Africa. Sugarcane farming in South Africa sustained over 70 000 on-farm jobs in 2010, excluding self-employed farmers (approximately 1440 “large-scale” farmers, who mostly farm in free-hold area, and 13 850 “small-scale” farmers, who mostly farm in former homeland areas). (Conningarth Economists, 2013).

Previous studies on employment in sugarcane farming found that because sugarcane is a perennial crop that is replanted only every ten years, on average, there is a fairly lengthy lag between a change in real wages and the employment response by farmers. For example, Murray and Van Walbeek (2007) estimated that on the South Coast of KwaZulu-Natal the impact of a change in real wages on employment in sugarcane farming is only fully realised after a period of about six years. Moreover, because sugarcane farming is relatively slow to restructure employment, restructuring tends to occur via not replacing workers who leave rather than via processes of retrenchment (Murray and van Walbeek, 2007). This finding is important for the current case study as it is likely that the impact of the February 2013 change in the minimum wage rate on employment in the case study locality has yet to be fully realised. According to some stakeholders, a slow pace of labour force restructuring is favourable because workers do not tend to fight it.

Labour productivity in sugarcane farming has increased from over four labour days per ton of cane produced in the 1950s to approximately 1 labour day per ton since 1996 (SACGA, 2014a). This

increase in productivity per unit of labour over time is partially related to increases in yields, as well as increased use of labour augmenting technologies in sugarcane production (e.g., mechanisation and chemicals), amongst other factors. Over the past two decades, employment in sugarcane farming has declined from 0.22 Full Time Equivalents (FTEs) per hectare to less than 0.18 FTEs per hectare (SACGA, 2014a).

Labour costs

Figure 2.18 reports inflation adjusted trends for the cost of labour per ton of cane and the price per ton of cane for the period 1994-2012. It is interesting to note that from 1994 to 2002 the ratio of the labour cost to the cane price was ranged from 15.8 to 19.8 with an average of 17.8, but for the period 2003-2012 it ranged from 19.0 to 25.0 with an average of 21.7. Whilst no causality is demonstrated, this finding may reflect the impact of the introduction of minimum wage legislation on the costs of sugarcane production in 2003. **Because labour accounts for a relatively large proportion of costs in sugarcane production, the demand for labour in sugarcane production is likely to be relatively more responsive to a change in wages relative to the price of other factors of production.**

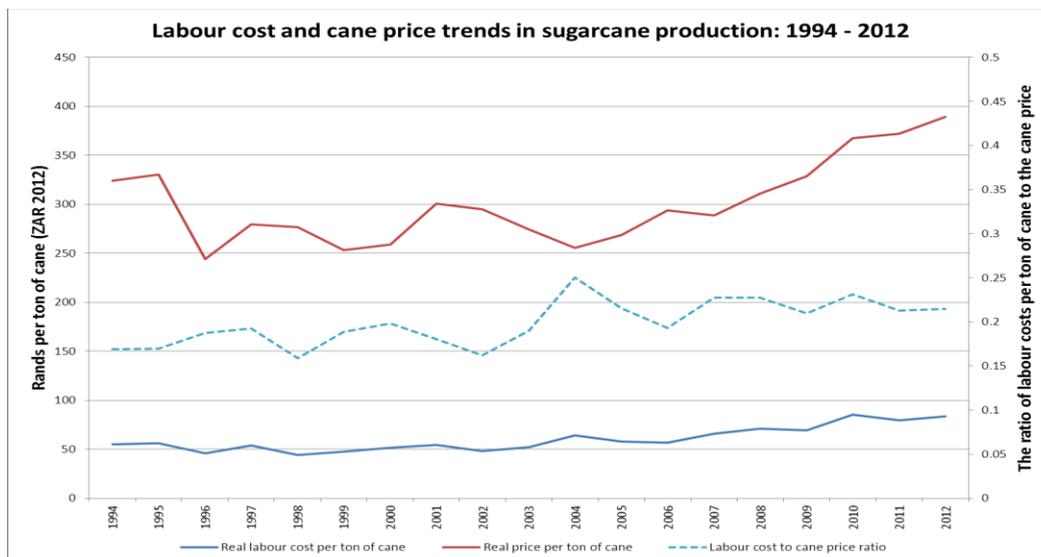


Figure 2.18: Real labour cost and sugarcane price trends, 1994-2012.

Source: (SACGA, 2014a; SACGA, 2014b)

Sugarcane Production in the Midlands Region of KwaZulu-Natal

Three of 14 sugar mills in South Africa are located in the Midlands region of KwaZulu-Natal. In the 2013/14 season this region accounted for 20 per cent of sugarcane production in South Africa and 20 per cent of labour employed in the industry on “large-scale farms” in 2012/2013 (SACGA, 2014b). Based on an analysis of survey of “large scale growers”, SACGA (2014b) estimated that in 2012/2013 the Midlands region employed 13 872 workers, which after factoring in the seasonal nature of some jobs equates to 10 832 Full-Time Equivalent Labour Units⁶⁰. Employment of workers included 1313 drivers, 5265 harvesting staff, and 5556 field staff. The area of cane farmed by large-scale growers in the Midlands region in 2012/13 season was 78 397 hectares (SACGA, 2014a), therefore, in the

⁶⁰ One permanent worker equivalent is equivalent to 300 working days per annum, including sick leave and annual leave.

Midlands region approximately 17.6 jobs (13.8 labour units) are created per 100 hectares under sugarcane production on “large-scale” farms.

Whilst sugarcane farming accounts for a large proportion of farm workers in KwaZulu-Natal, employment trends in sugarcane farming, and sugarcane farming in Mkhambathini Local Municipality, do not necessarily closely follow the provincial trend. Findings from the South African Cane Growers’ Associations’ annual Labour Productivity Survey (SACGA, 2014b) reveals that estimated employment in sugarcane farming (both absolute numbers and employment per hectare) has been relatively stable over the period 2004-2012 despite an increase in real average wages of 19.2 per cent. Statistics are currently unavailable for the period following the February 2013 increase in the minimum wage.

Table 2.4 indicates the average composition of the workforce in sugarcane farming in the KZN Midlands. The wages for various labour categories reported in Table 3 are averages for the sample of survey respondents. They do not reflect cross-sectional variation in remuneration rates across the surveyed farms, or the region as a whole. Drivers, irrigation staff and chemical applicators are semi-skilled and tend to earn more than general field workers. Harvesting staff are typically paid per task completed, with remuneration per task usually computed as a function of the minimum wage rate and the average time taken to complete a task. Relatively more productive seasonal staff typically earn well above the minimum wage, however, relatively less productive workers, including workers who do not work a full 45 hour week, will earn below minimum wage.

Table 2.4: Employment (permanent worker equivalents) per 1000 tons cane on Large-Scale Sugarcane Farms, KwaZulu-Natal Midlands Region, 2012/13 season.⁶¹

Labour Category	Permanent worker equivalents per 1000 tons of cane produced	Average Monthly Cash Earnings per month worked (2012 ZAR)
Drivers	0.37	
HRV/Lorry rig drivers	0.05	R6337
Loader operators	0.10	R2286
Tractor drivers	0.23	R2153
Permanent Field Workers	1.06	
Irrigation staff	0.03	R1769
Chemical Applicators	0.11	R1651
Other field workers	0.91	R1519
Seasonal Field Workers	0.25	R1483
Harvesting Staff	0.96	
Cutters & Stackers	0.75	R2013
Other harvesting staff	0.10	R1910
Harvesting staff out of season	0.11	R1755
General staff (e.g., supervisors, clerks)	0.20	R3041
Other staff	0.29	R1760
TOTAL	3.12	R1921

⁶¹ Use of contractors to undertake planting, crop maintenance, harvesting and sugarcane haulage activities does occur in the Mkhambathini region. Employment by these contractors is accounted for in the employment estimates contained in Table 1 and elsewhere in this section.

Source: SACGA (2014a)⁶²

In general, farmers in the Eston region source their labour, excluding harvesting staff, from a nearby communal farming area that is also part of Mkhambathini Local Municipality. Harvesting staff are almost exclusively migrant labour sourced from the Eastern Cape and Lesotho. The harvesting season runs from when the Eston mill opens (usually mid to late March) until the Mill closes for the season (usually mid-to late November), i.e. a period of eight months per year. Some farmers employ harvesting staff on a full-time basis, in which case they are tasked with planting and crop maintenance activities during the out-of-season period.

Large Scale Sugarcane Farming in Mkhambathini Local Municipality

The Eston Sugar Mill sugarcane supply area is predominantly located in the Mkhambathini Local Municipality, which is in the south-east of the Umgungundlovu District Municipality. It covers an area of approximately 917km². Mkhambathini Local Municipality consists of 7 wards with a large part of the municipality being rural in nature. Towns within the municipal boundaries include Camperdown, Eston and Mid Illovo. The local municipality includes both free-hold and communal farming regions.

In 2012/13 the Eston sugarcane mill sugarcane supply region comprised 1304 hectares farmed by the milling company (Illovo Sugar Limited) yielding 42.5 tons of sugarcane per ha, 31 454 hectares farmed by 132 “large-scale” growers yielding 39.7 tons per ha, and 2250 hectares farmed by 1271 “small-scale” growers yielding 26.6 tons per ha (SACGA, 2014b). This case study focuses on farm worker working and living conditions for workers employed on “large-scale” sugarcane farms in the Eston Region.

Recent research on employment in sugarcane farming in the Mkhambathini region includes Kadwa (2013) and Goga (2014). Whilst neither of these studies reported on the living and working conditions of these farm workers, Kadwa (2013) investigated the problem of labour absenteeism amongst sugarcane farm workers during periods immediately following pay-day weekends from an economic perspective, and Goga (2014) studied employment trends in sugarcane farming in three regions of the Sugar Industry, including the KwaZulu-Natal Midlands. Kadwa’s (2013) found that the costs of labour absenteeism for the value chain are substantial and exceed the costs of using mechanical harvesting of sugarcane during periods of high labour absenteeism. Goga (2014) found that whilst the employment in sugarcane farming on the South Coast of KwaZulu-Natal and in the Zululand region was highly responsive to changes in the real wage rate during the 1985 to 2008 period, employment in sugarcane farming in the Midlands region has been relatively less responsive to changes in real wages. He concluded that adoption of labour substituting technologies tends to occur in a step-wise fashion that differs across different regions. Adoption of some of these technologies was already fairly advanced in the Midlands relative to the other two regions by 1985, and over the course of the 1985-2008 period the other two regions were “catching-up”. The results of Goga’s (2014) study cannot be extrapolated to predict that employment in sugarcane farming in the Midlands Region is likely to be unresponsive to future changes in the relative costs of inputs.

⁶² Average wage data based on the SA Cane Growers’ Association’s annual Labour Utilisation and Cost Survey does not report the distribution of wages paid by the survey respondents and it is possibly subject to sample bias as selected farmers may decline to participate in the survey.

Table 2.5 reports average sugarcane prices, yields and revenue received by large-scale farmers in the Eston Sugar Mill Supply Region over the ten year period from 2004-2013. It shows that after accounting for the effects of inflation, the price per ton of RV, the price of sugarcane and average gross revenues per hectare under sugarcane have increased during the past 10 years. During this period the real (inflation-adjusted) price of sugarcane received by large-scale growers in the case study region increased by 41 per cent.

Table 2.5: Average Sugarcane Prices, Yields and Gross Revenue received by large-scale farmers in the Eston Sugar Mill Supply Region, 2004-2013.

Season	RV Price	Average RV% of cane supplied to Eston by Large-Scale Growers	Price per ton of cane	Inflation-adjusted price per ton of cane	Average cane yield per hectare under cane	Inflation-adjusted revenue per hectare
2004/05	R1297.19	13.37%	R171.03	R289.25	35.2	R10 189
2005/06	R1389.80	13.76%	R191.24	R312.91	41.5	R12 985
2006/07	R1701.86	12.17%	R207.12	R323.85	39.6	R12 824
2007/08	R1701.90	13.15%	R223.80	R326.73	44.4	R14 507
2008/09	R2011.18	13.30%	R267.49	R346.74	43.1	R14 944
2009/10	R2284.20	12.73%	R290.78	R355.73	40.1	R14 265
2010/11	R2572.14	14.18%	R364.73	R427.40	34.7	R14 831
2011/12	R3017.51	11.66%	R351.84	R392.71	34.4	R13 509
2012/13	R3197.32	13.16%	R420.77	R444.75	40.4	R17 968
2013/14	R3137.87	13.00%	R407.92	R407.92	44.2	R18 182

Source: SACGA (2014a) and own computations

Figure 2.19 shows that real Net Operating Income (NOI) per hectare for sugarcane production in the Eston region was declined sharply from 2001 to 2004, and remained relatively low until 2010/11. It dipped again in 2011/12 as a consequence of a drought in the region in 2010, but recovered again in 2012/13. Relatively low NOI per hectare for much of the past decade is probably responsible for farmers interviewed in the case study tending to speak of declining margins in sugarcane production.

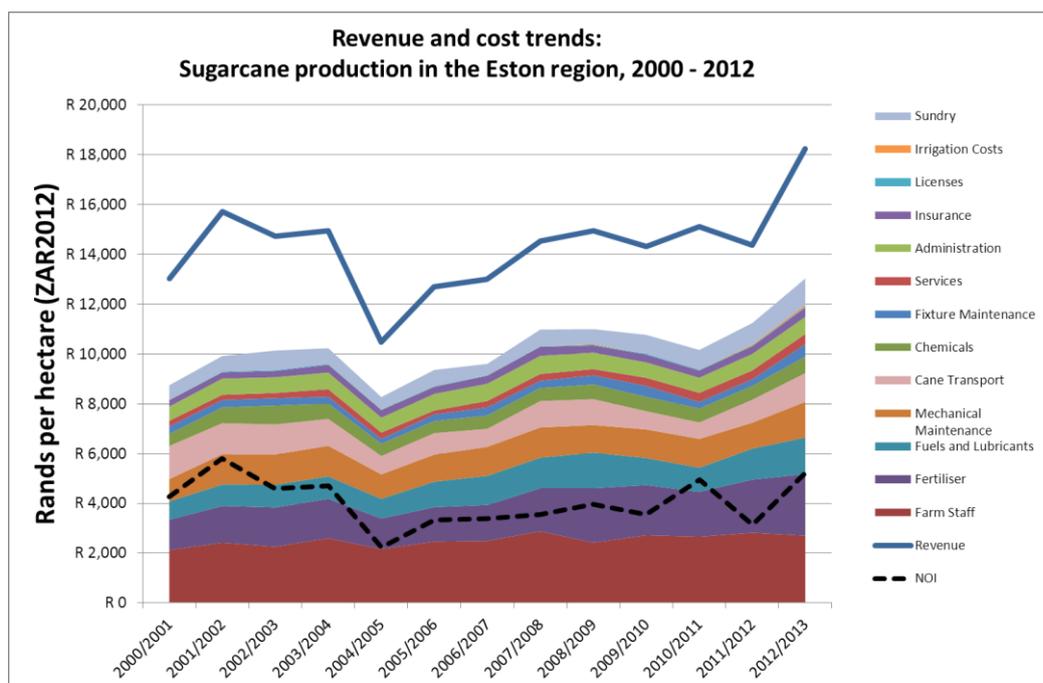


Figure 2.19: Inflation-adjusted revenue and costs trends in sugarcane production in the Eston Mill supply area, 2000/01 – 2010/13.

Figure 2.19 also shows the composition of costs in sugarcane production, excluding costs of management, land and capital. The inputs that account for the largest share of sugarcane production costs are labour (25%), Fertiliser (25%) and Machinery & Transport (30%). From 2004 to 2012 the real (inflation adjusted) average wage paid to farm workers in the Midlands region increased by 16 per cent (SAGCA, 2014b). SACGA (2013c) projected that a 50 per cent increase in the minimum wage would result in an increase of approximately 35 per cent in the average wage paid to farm workers on large-scale sugarcane farms. SACGA is due to release findings of its survey of employment in sugarcane farming for the 2013 season in early 2015. Figure 4 shows that after adjusting for inflation, the prices of fertiliser, fuel and lubricants, and herbicides were all about 50 per cent higher in 2012 than in 2005.

Findings from the South African Cane Growers' Associations' annual Labour Productivity Survey (SACGAb, various years) reveals that estimated employment in sugarcane farming (both absolute numbers and employment per hectare) in the Midlands region has been relatively stable over the period 2004-2012 despite average wages increasing by 19.2 per cent in real terms. Statistics are currently unavailable for the period following the February 2013 increase in the minimum wage.

Four of the five farmers interviewed as part of the case study field work expressed views that employment on their farms had declined on a per hectare basis over the past ten years, however, it is clear that efforts to reduce employment has intensified following the February 2013 change in the minimum wage. According to the owner, employment on the fifth business has remained constant over the past decade, however, it is set to decline as of the end of the season when the business plans to discontinue providing sugarcane harvesting services to small-scale growers.

The ratio of permanent worker equivalents to the number of people employed is a measure of seasonalisation of employment that ranges from zero to one, and tends towards one as the

proportion of permanently employed workers approaches 100 per cent. According to the findings of the SACGA’s Labour Utilisation and Cost Survey (various years), the ratio of estimated permanent worker equivalents to the number of people employed in sugarcane farming in the Midlands region of the sugar industry has fluctuated between 0.71 and 0.79 over the past ten years, but no clear trend is evident. This suggests that the extent of seasonalisation in sugarcane farming in the Midlands has remained fairly constant over the past decade.

Gauteng

With respect to employment in agriculture, Gauteng is a small province. It is fairly unique amongst South African provinces with respect to the large proportion “legislators, senior officials and managers”, “skilled agricultural and fishery workers” and “professionals” employed in its agricultural workforce. Figure 2.20 shows that during the period from the first quarter of 2008 to the third quarter of 2014, total employment in the sector ranged from 28 000 to 80 000, with an average of 55 100. During that period employment in the agricultural sector in Gauteng declined at an average rate of 670 jobs per annum (1.2% of average employment). The rate of labour shedding was not constant over time, and estimated employment of elementary workers has increased post the revision of the Sectoral Determination. The level of mechanization in agriculture in Gauteng is above the national average⁶³.

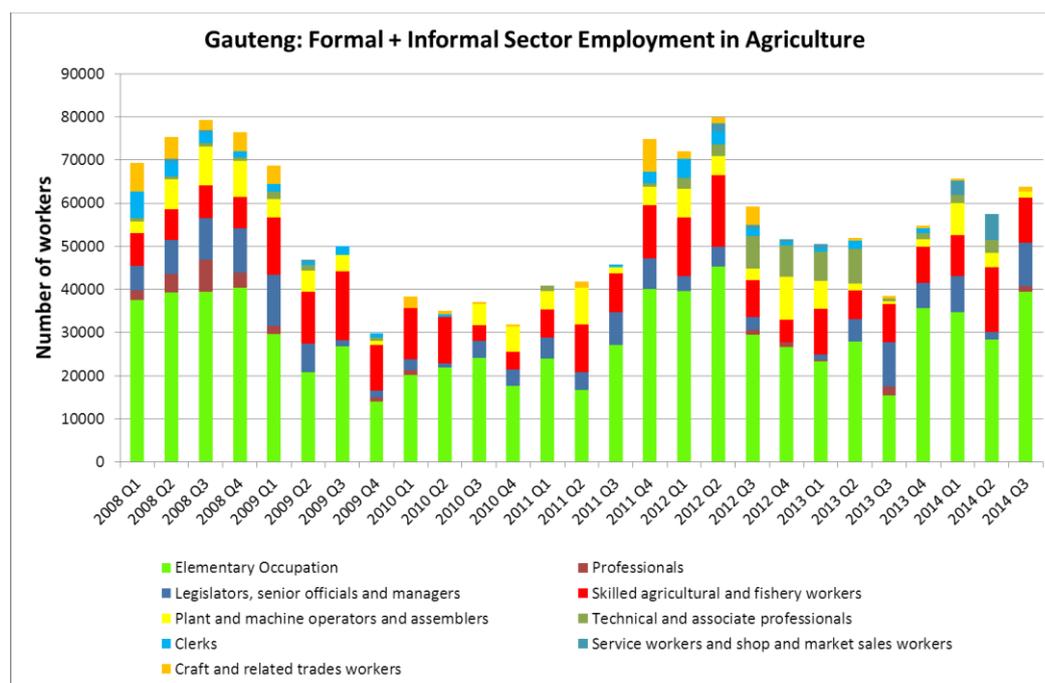


Figure 2.20: Employment in the agricultural sector in Gauteng Province by main occupation group, 2008-2014 (Source: Quarterly Labour Force Survey, 2008-2014).

⁶³ The level of mechanisation is measured as the ratio of people employed as machine operators and assemblers to those employed in elementary occupations in the sector. Gauteng Province ranks 3rd out of the nine provinces with an average value of 0.167 for the period 2008Q1 to 2014Q3 compared to a national average of 0.112.

Background information on poultry production in South Africa

In 2011, the South African poultry industry was the largest segment of the South African agricultural sector, accounting for 24 per cent (R29.598 billion) of the value of agricultural production (SAPA, 2012:8). Despite the dominance of the poultry industry in the sector, the industry has been under pressure due to (a) significant increases in imports of chicken, and (b) increasing feed costs relative to the price of chicken. (From 2001 to 2012, feed costs increased by 157 per cent in nominal terms, whereas average chicken prices increased by 61 per cent in nominal terms). As a result of this pressure, from 2010 to 2011 whilst consumption of chicken grew by 4.6 per cent, local production increased by only 0.8 per cent whilst chicken imports grew by 35.6 per cent (Davids, 2013). South Africa is a net importer of chicken, and domestic production is predominantly sold on domestic markets.

The South African broiler industry is characterized by a complex supply chain that exhibits high levels of vertical integration and coordination. Many of the processors are subsidiaries or divisions of holding companies. Mature broilers are either supplied within the company or by independent producers who are contracted to the holding companies. Large capital requirements and economies of scale act as barriers to entry for new small-scale producers, resulting in high levels of concentration within the industry (Louw, *et al.*, 2011). In 2011, two producers accounted for just under 50 per cent of production (Davids, 2013).

Broiler production takes place across the country, and the main producing areas are the North West Province (24.7%) and Mpumalanga (19.7%). Gauteng accounts for 6.25 per cent of production (SAPA, 2013). Louw, *et al.* (2011) classified broiler producers into three groups: (a) contract growers, (b) independent growers, and (c) direct growers. Contract growers grow birds for their own farms and deliver to a specific processor. Direct growers grow for a holding company on the company farm. Independent growers, on the other hand, are not fully integrated into holding companies and have no obligation to deliver to any particular processor and are free to source their feed from their choice of suppliers. However, they face more risk in marketing their product.

Feed is arguably the most important input in broiler production and, according to Louw, *et al.* (2011), it accounts for about 70 per cent of total input costs. According to SAPA (2011), relatively high feed costs are one of the main reasons that South African broiler producers are unable to compete with their American counterparts. Maize and soya are the most important ingredients in broiler feeds in South Africa. Due to volatility in maize yields in South Africa, high costs of transporting imported maize to broiler production regions, and exchange rate fluctuations, amongst other factors, maize prices in South Africa exhibit a high degree of volatility.

Mpumalanga

With respect to employment in agriculture, Mpumalanga is a large province. Figure 2.21 shows that during the period from the first quarter of 2008 to the third quarter of 2014, total employment in the sector ranged from 73 000 to 114 000, with an average of 88 500. During that period employment in the agricultural sector in Mpumalanga increased at an average rate of 1321 jobs per annum (1.6% of average employment). The rate of growth of the agricultural workforce was not constant over time, with significant levels of labour shedding occurring post revision of the Sectoral

Determination. The level of mechanization in agriculture in Mpumalanga is above the national average⁶⁴.

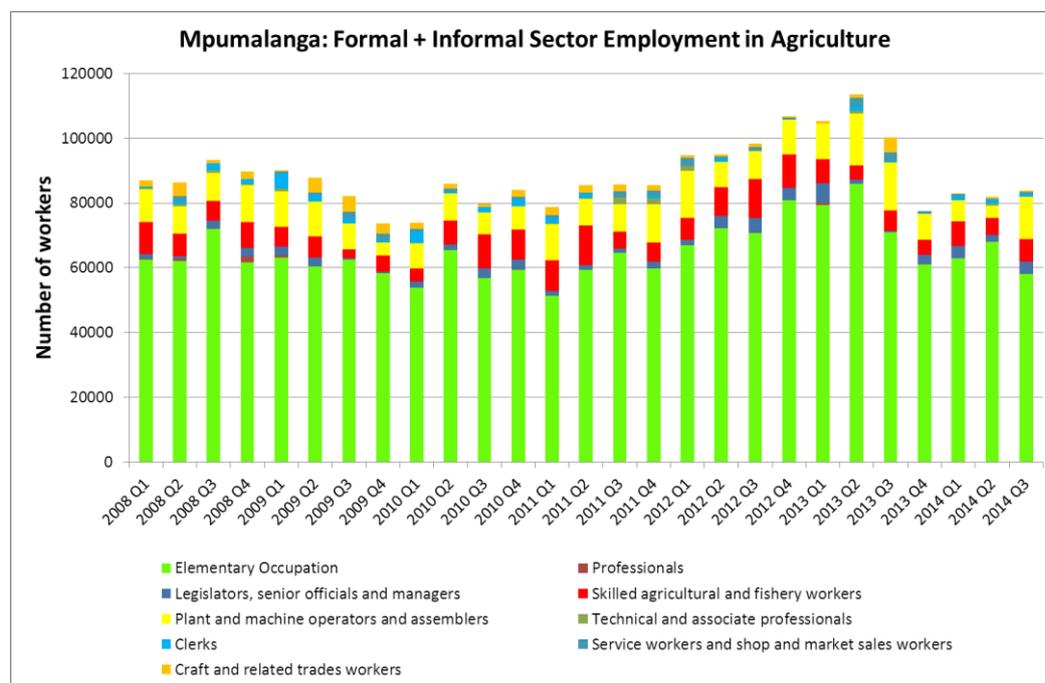


Figure 2.21: Employment in the agricultural sector in Mpumalanga Province by main occupation group, 2008-2014 (Source: Quarterly Labour Force Survey, 2008-2014).

One case study was conducted in Mpumalanga. The remainder of this section provides context for the Nkomazi Local Municipality case study.

Background information on the Nkomazi local municipality case study

The Nkomazi local municipality is in the eastern part of the Ehlanzeni District Municipality of Mpumalanga Province. The area is bounded by Kruger National Park to the north, Swaziland to the south, and Mozambique to the east. The Maputo Corridor, comprising the rail and road link from South Africa to Maputo, runs from west to east, bisecting the area. The main urban centres are Louw’s Creek; Kaapmuiden; Malelane, Hectorspruit, Marloth Park, Komatipoort, KaMhlushwa, Tonga and KaMaqhekeza. The majority of the population is concentrated within the former Kangwane homeland area in the southern third of the LM. Settlements in the former Kangwane fall under 8 Traditional Authorities (hereafter referred to as TA areas). The majority of farm labour is drawn from these settlements, as well as from neighbouring Swaziland and Mozambique.

⁶⁴ The level of mechanisation is measured as the ratio of people employed as machine operators and assemblers to those employed in elementary occupations in the sector. Mpumalanga Province ranks 4th out of the nine provinces with an average value of 0.146 for the period 2008Q1 to 2014Q3 compared to a national average of 0.112.

In sharp contrast to the densely populated and impoverished south, the central and northern areas of the LM boast some of the wealthiest and most productive farm land in the country. Nkomazi is the 'northern irrigated' region of the SA sugar industry, comprising two of country's 14 mill supply areas. The area is also well suited to the production of sub-tropical fruit. Nkomazi produces about 20 per cent of total cane produced in South Africa, some 5,2 million tonnes of sugar per annum⁶⁵. The main other crops are banana, citrus, mangos and lychees.

The most important institutional and commercial player in the area is TSB, one of the four dominant sugar producers in the country⁶⁶. TSB is fully owned Remgro, a listed company. Whilst the main business of TSB is sugar manufacture, marketing, sales and distribution, the company is also involved in agriculture. TSB operates three mills of which two are located within Nkomazi: Malalane and Komati.

The majority of privately owned farmland in Nkomazi is subject to land claim, and government has already purchased a significant proportion on behalf of the claimants. Altogether, 62 per cent of the area under cane in Nkomazi are been transferred, or is in the process of being transferred, to beneficiary trusts. Restitution farms are run under a variety of models, each with different levels of beneficiary control and involvement. These include lease-back, joint venture (beneficiaries and strategic partner), and models with beneficiaries in full control but with the support of hired managers or mentors. A lesser proportion of farmland has been bought for farm workers using state land reform grants (PLAS, LRAD). TSB manages 30 per cent of the cane supply area in Nkomazi, 2 per cent directly, and 28 per cent through management agreements with land reform beneficiaries.

Limpopo

With respect to employment in agriculture, Limpopo has grown rapidly and is currently the second largest province. Figure 2.22 shows that during the period from the first quarter of 2008 to the third quarter of 2014, total employment in the sector ranged from 47 000 to 127 000, with an average of 85 000. During that period employment in the agricultural sector in Limpopo increased at an average rate of 9142 jobs per annum (10.8% of average employment). The tremendous growth of the agricultural workforce started in 2010, although some labour shedding has occurred post revision of the Sectoral Determination. The level of mechanization in agriculture in Limpopo is below above the national average⁶⁷.

⁶⁵ Mhlaba Trust Business Plan

⁶⁶ <http://www.tsb.co.za/company-profile.cfm#.VD9Dm81kLQk>

⁶⁷ The level of mechanisation is measured as the ratio of people employed as machine operators and assemblers to those employed in elementary occupations in the sector. Limpopo Province ranks 7th out of the nine provinces with an average value of 0.081 for the period 2008Q1 to 2014Q3 compared to a national average of 0.112.

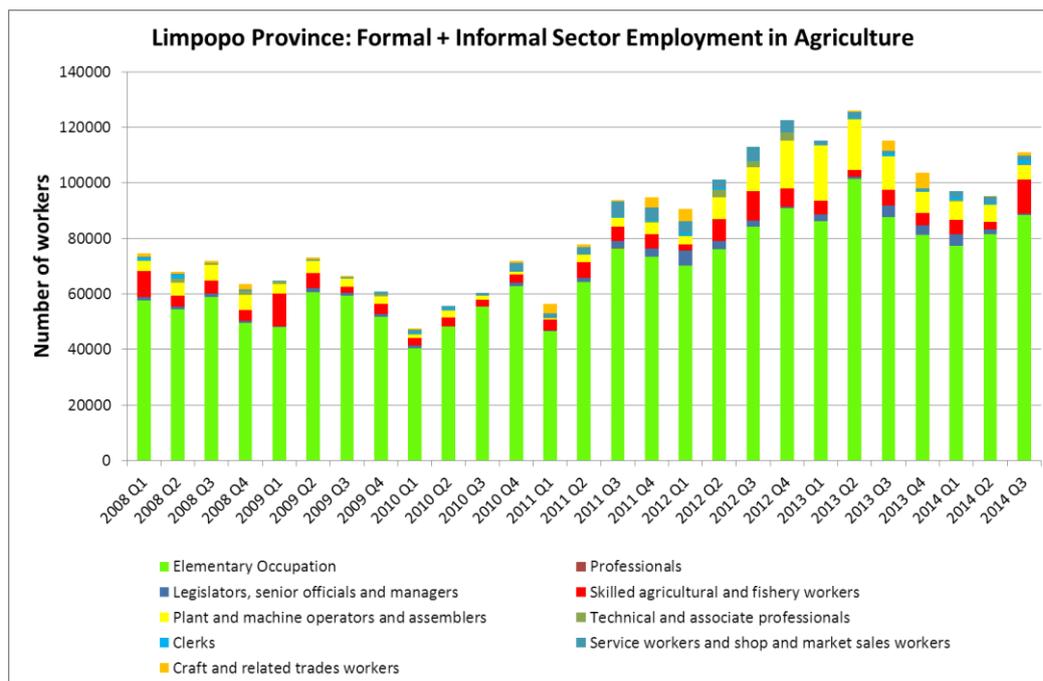


Figure 2.22: Employment in the agricultural sector in Limpopo Province by main occupation group, 2008-2014 (Source: Quarterly Labour Force Survey, 2008-2014).

One case study was conducted in Limpopo Province. The remainder of this section provides context for sub-tropical fruit farming in the Levubu Valley.

Background information on the Levubu case study

The Levubu valley lies to the south of the Soutpansberg mountains, between the towns of Louis Trichardt (Makhado) and ThohoyaNdou, in Vhembe, the northern most District in Limpopo Province. The local Municipality is Makhado. The area is famed for its bountiful production of sub-tropical fruits and nuts and is considered one of the best sub-tropical farming areas in the country. The Levubu commercial farms developed through a government sponsored irrigation and settlement scheme in the 1930s. The sub-tropical climate, good soils and reliable water supplies provide the basis for a profitable export-based sub-tropical fruit producing, packaging and processing industry.

The growth and development of the commercial farms in the area led to the displacement of African subsistence farmers into neighbouring areas reserved at the time for African occupation. Some families remained on farms as labourers under labour tenancy arrangements but were progressively relocated during the apartheid years into what became the 'independent' Bantustan of Venda and the Gazankulu homeland. In 1994, the Bantustans and homelands areas were reincorporated into South Africa but to date remain under the control of Traditional Authorities. Levubu and these TA areas fall within the District Municipality of Vhembe, the northern most District in Limpopo. The District borders on Zimbabwe in the north.

Between 2005 and 2008, government purchased 79 farms covering an area of nearly 6000 ha on behalf of seven land claimant communities (Manenzhe, 2012). The settled claims comprise 62 per cent of the total farming land in the Levubu area. Beneficiaries were constituted as CPAs

(Community Property Associations) and entered into strategic partnerships with commercial partners to farm the properties. All seven of these strategic partnerships collapsed between 2008-2010 when the businesses failed and the last of the strategic partners went into liquidation. The CPAs have since taken over running the farms themselves, with the management support from commercial farmers (Manenzhe, 2012).

The dominant crops in Levubu are macadamia, avocados, bananas and mangos. Lychees, guavas and pecan nuts are also grown, but to a lesser extent. There are also timber plantations (the majority belonging to the parastatal company Komatiland), and tea estates in the area. Nearly half of all sub-tropical fruit orchards in the country are in Levubu and Tzaneen.

Macadamia is the fastest growing tree crop industry in South Africa. Production has increased by 2000 per cent over the past 20 years. The main growing areas are Levubu and Tzaneen in Limpopo Province, Hazyview to Barberton in Mpumalanga and coastal KwaZulu-Natal. The national crop in 2013 was worth an estimated R 1 b. South Africa is the world's top producer of macadamia nuts. Global demand exceeds supply. China has planted extensive orchards, but these are not yet in full production.

Macadamia is mainly an export crop and growers have benefited from increased demand worldwide, especially in South East Asia and Japan, and a spike in prices. The R/\$ exchange rate has also increased the Rand value of the crop. The main threat facing producers is pests and diseases that severely reduce yield. Another serious threat is theft; there are reported to be Asian crime syndicates buying stolen nuts in the area, as well as a thriving trade in stolen nuts sold by roadside vendors. Up to 10 per cent of the crop is lost to theft (du Toit, 2004). A number of macadamia processing plants have been established over the past 20 years. Green Farms Nut Company opened a macadamia processing plant in Levubu in 1992, and the Royal Macadamia Nut factory opened 1996. Since then another two or three more have opened. The main products are whole shelled nuts, broken nuts and oil, sold mainly to export markets.

Lychee production is declining in Levubu. Yields have been declining as a result of warmer winters, possibly a result of climate change. Cold winter temperatures are needed for fruit set and pest control. On one farm in the case study, all lychee orchards are being cut out and replaced with macadamia, as the trees fruit only every 3-5 years. The other problem for growers is that the picking time for lychees is over the Christmas and New Year holiday period, when labour is scarce and more expensive. Theft is also a major problem.

Section 2.2: Labour: macro-economic issues

Labour intensity of various crops and relative costs of labour

Type of crop, crop mix, labour intensity and ability to mechanise are major factors impacting on labour structuring on individual farms. Table 2.6 aims to illustrate these key differences.

Table 2.6: Labour intensity and labour costs of different crops

Crop	Estimation of worker needed per hectare	Source of information and explanation of calculation	Labour as a % of costs (2013): See explanation of which costs in next column.	Source of information and explanation of calculation
Maize	0.004 (1 worker per 226 ha)	BFAP	7.65%	BFAP: As a percentage of production costs
Sugar cane	0.2	Source of data is SA Cane Growers' Association's annual labour utilisation and cost survey permanent equivalents. *	25%	
Wine	0.25 (permanent worker)	Vinpro	40%	Vinpro: Cost of labour as a percentage of total annual expenditure
Banana	1	Key informant		
Citrus	1	CGA		
Pears	1.26 (permanent equivalent)	Hortgro *	43%	Hortgro: Production costs per full-bearing hectare excluding packaging costs.
Apples	1.25 (permanent equivalent)	Hortgro *	44%	Hortgro: Production costs per full-bearing hectare excluding packaging costs.
Table grapes	Pruning: 1 Harvesting time: 2– 3 Orchard preparation: 3	Management consultant, De Doorns	57%	SATI Percentage of direct production costs per hectare. Depreciation included, but costs of marketing, packing material, transport, inspection and cold storage excluded.

*Based on what is referred to as “permanent equivalents”, i.e. the total permanent labour, plus hours spent by seasonal labour in the field, which is converted into the number of hours a permanent worker would have spent in the field/orchard. This ratio is therefore not a reflection of the actual number of permanent workers the industry employs and obscures the level of casualisation that has happened in the industry.

The rise in labour costs has been significant in industries that cannot easily mechanise. For instance, from 2009 to 2013 labour costs, as expressed as a percentage of production costs, have increased from 35% to 44% for apples and 36% to 43% for pears.

Scope for mechanisation and labour-augmenting practices and concomitant jobs losses

In the sugar cane and maize industry the scope for mechanisation is extensive. Yet limited mechanisation has taken place in the cane industry during the past ten years. Low levels of mechanisation in this industry is probably linked to the substantial levels of protection enjoyed by the sugar industry, which has not been exposed to the pressures experienced in other industries brought about by deregulation and liberalisation.

Findings from the South African Cane Growers' Association's annual Labour Productivity Survey (SACGAb, for various years) reveal that estimated employment in sugar cane farming (both absolute numbers and employment per hectare) has been relatively stable over the period 2004-2012 despite average wages increasing by 19.2% in real terms. Statistics are currently unavailable for the period following the February 2013 increase in the minimum wage.

While tractors are now used during planting to prepare furrows, cane planting is still done manually. The shift to mechanised harvesting has been slow in coming because of the cost of machinery and the need to change the spacing of cane rows in field. Most of the large and medium cane growers are however preparing to introduce mechanised cane cutting and this will lead to job losses. An interesting feature of the sugar cane industry is that the process of restructuring tends to be gradual rather than rapid. Findings of interviews with both producers and workers suggest that sugar cane farms, with the exception of contracting businesses, have reduced their employment on a per hectare basis without needing to retrench workers. Two of the three contractors surveyed in the Eston case study either have or are in the process of reducing their workforce and cutting back on their delivery of contracting services. While two farms in this study have increased their work force due to expansion, they have reduced their employment per hectare; two more have reduced their employment, while the fifth producer's workforce has remained constant.

In the maize industry mechanisation has been ongoing for a decade, reducing the need for harvesters. As producers continue to use larger, more powerful equipment, seasonal workers especially have been affected. While mechanisation has already done away with workers who would traditionally have harvested the crops, more sophisticated machinery is now also obviating the need for hand-collecting cobs dropped by less sophisticated harvesting machinery (Hartwig, 2004). In Hartwig's study (2004), one producer who used to hire 100 seasonal labourers, now made do with 10- 15 part-time workers, due to mechanisation. This trend constitutes a major loss of employment in the Bothaville area. Where producers continue to employ seasonal harvesters – most of whom are women - they view this practice as their "welfare contribution" to support a large number of unemployed people in their area. Apart from investing in more state-of-the-art, harvesting machines, producers have also bought new-generation tractors. One bought a tractor that has displaced 25 tractor drivers.

Given that most of the farming operations in the maize case studies were not labour intensive, the high percentage of seasonal workers employed during the peak season was somewhat surprising (see Table 2.7 below). Use of seasonal contracts during the off-peak period remains fairly rare. On

the case study farms in Bothaville and Ventersdorp, there has been a serious loss in the number of permanent full-time jobs over the last ten years.

Table 2.7: Changes in the workforce composition in the Bothaville and Ventersdorp case study farms

Farm	Area	2014: Percentage of workers that were seasonal during peak	2014: Percentage of workers that were seasonal during the off-peak	2004: Percentage of workers that were seasonal during the peak	2004: Percentage of workers that were seasonal during the off-peak	Increase/decrease in number of permanent workers (2004-2014)
1	Bothaville	29%	0%	17%	0%	-18%
2	Bothaville	17%	0%	56%	0%	-38%
3	Bothaville	56%	0%	71%	0%	0%
4	Bothaville	0%	0%	Insufficient data	Insufficient data	Insufficient data
5	Bothaville	70%	0%	69%	0%	-45%
6	Ventersdorp	0%	0%	30%	0%	-10%
7	Ventersdorp	83%	0%	56%	0%	-33%
9	Ventersdorp	79%	33%	67%	23%	-16%
9	Ventersdorp	88%	29%	Insufficient data	0%	-86%
10	Ventersdorp	76%	0%	69%	0%	-72%

Producers in the Levubu area have not started to mechanise extensively. However, they have begun to use tractors with side arm mowers to replace hand slashing; pruning machines to replace hand-pruning; and cherry pickers to reach the tip of fruit trees instead of using ladders for fruit picking. A farm manager in Levubu estimated that by investing in such machines, the farm used about 20 fewer permanent workers.

In the Western Cape mechanisation has been possible on wine farms; however, as in the sugar cane industry, mechanical harvesters are expensive and only major wine growers can usually afford these machines. Mechanisation in the wine industry started about ten years ago, more or less at the same time that the minimum wage for agriculture was introduced. A newer trend in the wine industry is to prune vineyards with a pre-cutter, which reduces the need for manual pruning. It is estimated that a pre-cutter can do the work of 15 people over a ten week period. Vinpro, the commodity organisation of the wine industry, did not have statistics on employment creation or losses in the industry over the last ten years.

For perishable crops such as table grapes, apples and pears and also citrus, the scope for mechanisation is limited and still very much in its infancy. According to the industry body Hortgro, a few producers are exploring the use of picking platforms thus obviating the need to use ladders in orchards. Using ladders not only tends to damage fruit trees, but also slows down the average picker's productivity by about 60%. While using picking platforms is logistically challenging and still in

an experimental phase, it is easy to see its potential appeal. However, at this stage picking platforms are not only extremely expensive, but also require a different orchard layout to allow machines to move between orchard rows. Hortgro therefore anticipates that mechanisation will happen very gradually in the pome and stone fruit industries. The chair of a producers' association interviewed in the Ceres area argued that about 70-80% of activities on fruit farms would remain manual. As in the wine and cane industries, those producers in the fruit industry who have started to experiment with mechanisation are the largest and thus able to afford expensive new equipment. But these larger producers also stand to gain more from mechanisation, given the large sizes of their workforces.

According to Hortgro, certain deciduous fruit subsectors have actually become slightly more labour intensive during the last decade due to increased quality demands, as can be seen from Table 2.8 below. It must however be borne in mind that the number of hectares planted under deciduous fruit for the industry as a whole has declined. As a result, the deciduous industry has shed about 2 742 jobs during the ten years up to 2013. An important caveat to the figures presented below is that the number of workers indicated represents the total number of "permanent equivalent positions". The latter is a term used to indicate the total number of permanent workers plus the total number of permanent positions that would be created if the total hours worked by seasonal workers are converted to that of permanent equivalent positions. Overall, there has been a 4% drop in the number of permanent equivalent positions. However, this conversion obscures the trend towards casualisation, as will be discussed later.

Table 2.8: Change in labour norms per hectare from 2003 to 2013 for various deciduous fruit crops.

Fruit Kind	2003			2013		
	ha	Labourers	Labourers/ha	ha	Labourers	Labourers/ha
Apples	22 379	28 068	1.25	22 501	28 220	1.25
Pears	12 777	16 140	1.26	12 034	15 202	1.26
Peaches	9 548	11 490	1.20	7 441	9 599	1.29
Plums	5 060	6 699	1.32	4 883	7 049	1.44
Apricots	4 738	5 226	1.10	3 020	3 624	1.20
Nectarines	1 379	1 724	1.25	2 239	2 911	1.30
TOTAL	55 881	69 347	1.24	52 118	66 605	1.28

(Source: Hortgro)

In the citrus industry where mechanisation has also not been possible, some producers have begun to use what is referred to as "labour-augmenting practices" to reduce the need for labour. An example of this is the use of plastic crates placed at the base of each tree. This low-cost innovation has cut the time taken to empty picking bags by up to 70%. However, these innovations have not yet translated into major labour savings, judged by what is happening on the case study farms. Instead, the main survival strategy on these farms has been one of expansion, to reap the benefits of economies of scale. Alongside increases in the areas planted under orchards, the overall number of workers employed on all case study farms increased, some by as much as 300%. However, when the total number of workers employed on the five SRV case study farms was aggregated, it became clear that the main growth has been in the number of seasonal workers employed: while the number of permanent workers has increased by 12.6%, the number of seasonal workers has increased by 147%.

The Citrus Growers' Association did not collect any information on employment trends in the sector which could be used as basis for comparison.

Table 2.9: Increase in workers on case study farm in SRV: 2004 to 2014.

Total workers per category for 5 citrus farms in SRV	2014	2004	% increase over ten years
Permanent	80	71	13%
Seasonal	632	256	147%
Total	712	327	118%

(Source: information obtained from SRV case study producers)

Other than mechanisation, some producers in our case studies have also switched to less labour-intensive crops to cut costs. A prime example of this was found in Nkomazi where some producers were switching from bananas to sugar cane. While bananas require one permanent job for every one hectare, cane requires one permanent job for every twenty hectares. One company in the Nkomazi area reduced its permanent staff by 40% and has completely dispensed with all seasonal workers over the past 10 years, mainly as a result of converting from bananas to cane, and the use of contractors for cane cutting. However, a number of factors drove this conversion, one of which was the rising cost of labour. For instance, although bananas are a much higher value crop per unit area of production, input costs are very high, and prices have not been as buoyant as the sugar price in recent years. It is also more profitable to grow bananas across the border in Mozambique where the government provides incentives for producers, labour is cheaper and there is no need to apply for permits for Mozambican workers. The company that had switched from bananas to cane, had invested the cash it received from selling its properties to government, into banana production just across the border.⁶⁸ The potential loss of employment and tax opportunities to South Africa – and the concomitant gain for Mozambique, if more producers were to follow this example, is clear.

Although table grape producers have not switched to an entirely different crop, they have switched to different cultivars, which have considerably reduced their need for labour. While the move from seeded to seedless grapes in De Doorns has been driven mainly by higher prices for seedless grapes, the effect of this switch has had a significant impact on labour demand. Seedless table grape varieties require less labour than seeded varieties, as the former can be chemically thinned by spraying gibberellic acid - a natural plant growth regulator. This process reduces fruit set and cluster compactness of grape bunches, which cuts out some of the manual preparation work normally needed before harvesting. A major De Doorns producer estimated that the preparation of seedless grapes costed up to a third less than that of seeded varieties.⁶⁹

⁶⁸Without access to more information, it is not possible to draw conclusions about the net effect of overall expansion in cropping area, and conversion from banana to sugarcane production, on total job numbers in Nkomazi.

⁶⁹The downside of seedless varieties is that the producer's chemical bill is higher, but also that seedless varieties tend to have lower yields than seeded varieties.

As a result of the switch to seedless, the table grape industry in the Hex River saw a dramatic drop in net employment between 2007 and 2014. While the overall reduction in employment was 17%, the number of permanent jobs declined by 53%.

Table 2.10: Changes in the work force, Hex River area, 2007/8 to 2014/14.

Hex River	Seasonal	Permanent	Total
2007-8	5435	8459	13894
2008-9	12000*	6000	18000
2009-10	8783	5337	14120
2010-11	8642	4740	13382
2011-12	8795	4580	13375
2013-14	7527	3995	11522
% Growth/decline from 2007-8 to 2013-14 harvest	38%	-53%	-17%

(Source: Various SATI Statistical Yearbooks)

*This figure is, as can be seen, an outlier, as should be treated with circumspection.

There was another factor that has led to a loss in employment in the case study areas. In the Levubu area, the collapse of the land restitution strategic partnerships in 2008 to 2010 led to significant job losses. One venture alone lost close to 400 jobs between 2005 when the farms were transferred, and 2010 when the strategic partnerships collapsed (Manenzhe, 2012). In 2010 four out of seven CPAs had to lay off a total over 600 permanent workers and 140 seasonal workers, which constituted 70% of their work force. Job numbers are rising again since the CPAs received recapitalisation funding from government and have started to run the farms themselves, with management support. Yet in 2012 total employment was still down by 40% in these four enterprises (based on figures supplied by Manenzhe, 2012).

Section 2.3: Casualisation

In this research we use the terms casualisation and externalisation to discuss the decrease of full-time, permanent work within a direct employment relationship, also known as “standard employment”. By casualisation, we refer to a process where workers no longer enjoy full-time, permanent employment, but are appointed on part-time, seasonal, fixed term or temporary contracts (these terms are sometimes used interchangeably). They are however still in a direct employment relationship with their employer. In contrast, externalisation refers to process where workers are not directly employed by the main provider of employment, but through an intermediary, who is a “labour service provider” of the main provider of employment. Labour brokering is an example of externalisation.

In the agricultural sector, casualisation is happening in all subsectors, but is acute in the fruit industry - with the exception of the subtropical industry where the need for labour is relatively constant throughout the year. Below, an overview is provided of the key periods of labour demand for various crops in order to gauge to what extent workers employed on fixed terms contracts can still truly be referred to as “seasonal workers”.

Key production periods and workforce composition

Figure 2.23 indicates the timing of seasonal labour employment in the production cycles of the case study commodities.



Figure 2.23: Use of seasonal labour across industries

Subtropical fruit

In the subtropical sector seasonal work is spread throughout the year, with September to November being the quietest months. The duration and timing of seasonal contracts on a specific farm would depend on its crop mix and labour strategies.

Sugar Cane

The sugar cane harvesting season runs for a period of approximately eight months of the year, usually from late March to the end of November. Some producers employ harvesting staff on a permanent basis, in which case they are tasked with planting and ratoon maintenance activities during the out-of-season period. However, in most cases harvesting is typically done by seasonal workers who are employed on nine-month seasonal contracts. Other seasonal work includes weeding, land preparation, planting, and herbicide and fertiliser application, which is usually done by women. Contracts for these types of work depend on the time of the year and the specific activity, but are usually short term, ranging from a few weeks to up to a few months.

Grain and floriculture

On grain farms in the Bothaville and Ventersdorp areas, seasonal workers typically work for three months of the year during the harvesting period. On the two floriculture farms in the Bothaville case study – which were both highly labour intensive and had a range of production activities that followed one another – a sizeable proportion of this group was employed on fixed term contracts spanning close to a year.

Citrus

In the citrus industry the vast majority of workers are employed on a seasonal basis for six months of the year (typically from April to September, but this also varies according to the varieties planted). A fairly new trend in the citrus industry is the use of off-season contracts for pruning, sanitation (removing fallen fruit from under trees to prevent pests spreading), spraying and planting of new orchards. The duration of off-season contracts varies, ranging from a month or two after the harvesting season, to a six month period until the next season starts. The use of fixed term contracts for off-season work is a relatively new practice, introduced to cut the cost of employing permanent labour. The majority of seasonal workers however remain employed on six months contracts in this industry.

Table grapes

Of all the products included in this report, table grape production is arguably the most labour intensive. Its labour need is particularly high during the periods of vineyard preparation, harvesting and packaging. Vineyard preparation starts in October, giving rise to an increased need for seasonal labour. The first preparation phase consists of suckering, trellising of the vines and breaking off leaves to promote ventilation and light exposure to the vines. A third of the seasonal workforce is employed during this process. The next phase consists of thinning out tightly clustered bunches to promote bigger berry sizes and prevent rot. The full complement of seasonal workers is used for this action and remains on the farm until the end of the harvesting and packaging season in about April. After harvesting, work on the farm diminishes until the pruning season, which lasts from June to August. In the Hex River Valley, seasonal labour is therefore in high demand for about seven months of the year. Most producers in the table grape case study employed seasonal workers on fixed term contracts ranging from four to six months to cover specific production actions. However, given that some seasonal workers are used for pruning, they could be employed for up to 11 months of the year.

Apples and pears

Apple and pear production usually starts with a thinning period, lasting from October to December. Apples are harvested from December to June, while pears are harvested from December to March. The harvesting and packing season is followed by the pruning season, which ends in August. Hence, labour is needed almost throughout the year, but in different quantities, depending on the intensity of the production activity. Producers in the deciduous fruit case study employed seasonal workers mostly on four month contracts. The exception was a major farm (of more than 1000 ha) which recruited 52% of its labour force from Lesotho. These workers stayed and worked on the farm for twelve months of the year and only went home during the holidays.

Wine grapes

Wine producers who do not have harvesting machines employ seasonal workers mostly for the harvesting period (from February to April) and for the pruning period, which runs from May to July.

In all three Western Cape case studies (apples and pear; table grapes and wine) contracts were mostly tied to production periods. Whether the contract of a seasonal worker was extended, often depended on whether the person had the skill to perform the next production task. For instance,

more advanced skills such as pruning, were usually reserved for the permanent workers and experienced seasonal workers. If workers were able to fulfil all tasks, it was common that one contract would flow seamlessly into the other without a break, with the result that some seasonal workers ended up working on the farm for nine to twelve months of the year.

In fact, the majority of seasonal workers interviewed on the case study farms seemed to work for nine months of the year or more. The usual explanation provided for this practice of employing seasonal workers on such long contracts - instead of appointing more workers on permanent contracts - was that there were sometimes quiet gaps of two or three months between key production periods when seasonal workers were not required. Carrying these workers on the company's books in addition to the complement of permanent workers had become too expensive. Yet, it was evident that such "quiet periods" were becoming shorter and shorter: in some cases seasonal workers ended up working close to a year, or even full-time, for the same employer year after year, but remained employed on fixed term contracts. It seems that the real reason why these workers were not employed on permanent contracts was rather to avoid the added costs associated with permanent employment. This was especially the case where permanent employment was tied to on-farm housing. By appointing workers on long-term seasonal contracts, employers avoided these costs, but also prevented more workers from acquiring ESTA rights. At least one producer was explicit about the fact that he purposefully replaced seasonal workers on four month contracts to avoid their acquiring ESTA rights. A key producer informant explained that "after the promulgation of ESTA, producers began to demolish houses once the workers had moved out. They also started to use seasonal workers. And that is where the problem started. Because then they began to use contractors to arrange all the seasonal workers".⁷⁰ Producers also indicated that the Department of Rural Affairs and Land Reform's so-called "50-50 proposal" made them reluctant to invest in on-farm housing. According to this proposal those who have worked and lived on a farm for ten years or more should by law get a proportional share in the 'land' or 'equity' on the farm. It therefore appears that one of the unforeseen consequences of government's efforts to effect land reform, but specifically to promote security of tenure rights, has exacerbated the process of casualisation.

Workforce composition

In the Levubu area, where producers farmed with subtropical fruit and where the need for labour was high throughout the year, only 36% of farm jobs were seasonal. However, in the deciduous fruit and wine industry, but also in the citrus industry, where labour demand was highly seasonal, the vast majority of workers were employed on a seasonal basis. Based on figures collected in this SRV case study, over 90% of all jobs (on farm and in pack houses) were seasonal. Across the three Western Cape case studies (wine; apples and pears; table grapes) the ratio of seasonal to permanent workers on half of the farms was at least 80%. Of the Western Cape farms, those who had a lower seasonal component, made more use of labour brokers. The exception was a large producer who also produced vegetables all year round and therefore had a need for permanent workers throughout the year. Only 32% of his workforce was seasonal. While he also made use of a labour broker, this was mostly to assist workers during peak production periods when the labour force could not cope. While the seasonal component on most farms in the Western Cape decreased during the off-peak, on at least half of farms more than 50% of the workforce remained seasonal. On

⁷⁰ Producer stakeholder, Ceres.

two large farms (of 500 ha) and on one 100% black-owned farm, more than 70% of the off-season workforce was employed on seasonal contracts.

In the sugar cane industry, the percentage of seasonal workers employed by sugar cane producers ranged from 50% to 54%. The component of seasonal workers in the sugar industry is generally very low, due to externalisation of harvesting, which is discussed later.

On five of the ten Free State farms, there were no seasonal workers on two of the farms; on the other three farms, between 17% and 56% of the workforce was employed on fixed term contracts. However, on the remaining five Free State farms, the seasonal component was perplexingly high - between 70 and 80%. This contrasts strongly with Hartwig’s 2004 finding that the component of seasonal workers on maize farms is very small, given that most grain producers have mechanised harvesting. Hartwig (2004: 21-22) reported that producers were reluctant to pay workers the minimum wage for harvesting, and opted to mechanise instead.

Reduction in permanent employment

On case study farms in the Western Cape, most farms experienced a reduction in permanent employment between 2004 and 2014 ranging from 7% to 33% (see Table 2.11). Only two farms experienced a growth in permanent employment and in the case of one of them, from a very low base.

Whilst increases in the use of seasonal workers during the peak season have been fairly moderate in most cases, the increased use of seasonal workers during the off-peak periods is significant, as can be seen below. During the last ten years, the seasonal component of labour during both the peak and off-peak periods on most of the case study farms in the Western Cape increased by about 10%. As can be seen in Table 2.11, there has been extensive casualisation on three farms one of which is a major farming cooperation (see cells highlighted in orange).

Table 2.11 also illustrates the problem of working with “permanent equivalent” positions to measure increases and decreases in employment, as some industry bodies do. As we have previously argued, this practice obscures the extent of casualisation. The real extent of casualisation becomes much clearer when data from case study farms – as presented in the table below – is analysed.

Table 2.11: Employment trends on case study farms in the Western Cape

Farm Type	(2004 – 2014)		(2014)	(2004)	(2014)	(2004)	(2014 - 2004)
	Total change in permanent employment	% in	Percentage of workers that were seasonal during the peak season	Percentage of workers that were seasonal during the peak season	Percentage of workers that were seasonal during the off-peak season	Percentage of workers that were seasonal during the off-peak season	Total change in worker numbers: permanent and seasonal workers during peak season

Wine farm: mechanised	-17%	27%	17%	0%	17%	-5%
Wine farm: mechanised	Insufficient data	55%	Insufficient data	35%	Insufficient data	Insufficient data
Medium sized farm, variety of mixed, counter seasonal crops: rapidly expanding	43%	81%	67%	75%	0%	148%
Farm started four years ago; some mixed crops	0%	91%	92%	78%	78%	-11%
Medium size farm, mono crop.	-13%	69%	63%	53%	40%	3%
Major farm, mono crop: expanded rapidly	-33%	83%	33%	50%	Insufficient data	167%
Major farm; has some counter-seasonal crops; expanded rapidly.	Insufficient data	77%	Insufficient data	64%	Insufficient data	Insufficient data
Medium sized farm, mono crop.	-19%	82%	74%	41%	29%	18%
Small BEE farm, mixed crop.	-29%	80%	70%	67%	59%	9%
Small farm: mono crop	113%	54%	0%	32%	0%	363% (growth from a very low base)
Small farm: mono crop	-30%	57%	18%	0%	0%	34%
Major farm: under pressure	0%	86%	91%	71%	71%	-39%
BBE farm: under pressure	-7%	68%	77%	0%	30%	-34%
Large farm, mixed crop; some scope for mechanisation: expanded significantly	-13%	32%	0%	0%	0%	27%

The switch in the ratio between permanent and seasonal workers in the table grape industry is especially noteworthy. Up until 2008/9 about 60% of the workforce in the Hex River was permanent, while the rest consisted of seasonal workers. This same ratio was found by Conradie (2004). By

comparison, most other table grape regions, that were already predominantly seedless, had a much lower percentage of permanent workers. In areas such as the Orange, Berg and Olifants River, less than 20% of the workforce had been permanent.

In 2009/10, however, for reasons that could not be explained by the South African Table Grape Industry (SATI), the ratio of permanent to seasonal workers was completely reversed in the Hex: Suddenly 33% of workers were permanent while 67% were seasonal. The year is not an outlier, as can be seen from the Table 2.12 below, as subsequent years have followed the same trend. While the increased focus on seedless varieties can partially explain this change, it is unlikely that this has been the sole factor. Other possible contributing factors were that producers had laid off permanent workers, following the disastrous flooding of the previous year, but also after the price drop of R10/carton following the onset of the recession in Europe in 2008 (Visser, upcoming).

Table 2.12: Switch in ratio of permanent to seasonal employment in the Hex River’s table grape producing area.

	2008/9		2009/10		2010/11		2011/12	
	Perm	Season	Perm	Season	Perm	Season	Perm	Season
Berg	0.16	0.84	0.16	0.84	0.16	0.84	0.16	0.84
Hex	0.61	0.39	0.33	0.67	0.35	0.65	0.34	0.66
Northern Prov	0.33	0.67	0.33	0.67	0.22	0.78	0.22	0.78
Olifants	0.18	0.82	0.17	0.83	0.19	0.81	0.18	0.82
Orange	0.15	0.85	0.15	0.85	0.12	0.88	0.11	0.89
Total	0.27	0.73	0.22	0.78	0.20	0.80	0.19	0.81

(Statistics obtained from SATI statistical year books: 2008/9 to 2011/12].

In the Sundays’ River valley, there was an overall increase in numbers of workers employed on the five farms in the case study as a result of orchard expansions. The percentage increase of permanent workers was however very much lower than that of seasonal workers, reflecting the trend towards greater reliance on seasonal workers, as was the case in other subsectors. The number of seasonal jobs for every permanent job increased from an average of 5 in 2004 to 9 in 2014.

Recruitment of seasonal workers

Producers mainly use their own workers – mostly team leaders - to recruit seasonal workers. On smaller farms, some producers contact workers directly; but workers also contact producers. Given that team leaders are largely responsible for recruitment, they have a lot of power within the worker community. For instance, on a farm in Eston, a migrant worker at a unionised farm claimed that he was informed by his recruiter that he would not be called back the following season unless he joined a particular labour union. The practice where piece work is done per team, with the team leader dividing the income per team, further entrenches the power of team leaders. Not only does he decide which team member gets how much, but to ensure a higher income for the group, team leaders tend to pick the fastest workers. Hence, in some cases team members are not only reliant on the team leader for income, but also for a job. In cases where team leaders are male and team members are female, this power imbalance creates an especially unhealthy dynamic.

Retention of seasonal workers

On the maize producing farms of the Bothaville and Ventersdorp case studies, the rate of retention of seasonal workers was generally low. Surprisingly, in the sugar cane industry – where seasonal work was equally low-skilled and working conditions generally so poor that locals allegedly rejected these jobs, producers who employed seasonal workers expected to re-hire at least 80% of their seasonal workers. Rates of retention in the sugar industry – as reported by producers – were on average much higher than either those in the citrus-producing area of the Sunday's River (40 to 100%) or on case study farms in Western Cape and Levubu (50 – 80%). The reason for the high rates of retention of seasonal workers in the sugar cane industry is not clear and warrants further research. High retention rates in the sugar cane case studies, but also in the fruit case studies, to some extent challenge the perception outside the industry that the relationship between producers and their seasonal workers is ephemeral: that producers view seasonal workers as easily replaceable and that seasonal workers have no loyalty towards their employers.

Of course, high retention rates could also be the result of seasons becoming increasingly longer, effectively offering their holders (almost) full-time employment. However, attempts to retain seasonal workers are also driven by the need to retain skilled personnel. According to fruit producers, especially those who need seasonal workers to do orchard/vine manipulation and fruit preparation, they need to retain a stable seasonal workforce as quality and process standards enforced by supermarkets are forever increasing. In the Western Cape, some producers interviewed had introduced specific measures to retain skilled workers. One paid workers more than the regional average and paid its Namibian seasonal workers a retainer out of season; another provided a fully-equipped canteen for seasonal workers; while a pack house operator planned to give his female packers a share in the pack house to retain their skills. Most noteworthy however, was the practice by producers of finding work for their seasonal workers on farms producing counter-seasonal crops, in order to tie them over until the next production task.

A similar process was taking place in the Sunday's River. Here, producers who harvested oranges during the winter months, actively recruited pickers from the Langkloof, who stopped harvesting deciduous fruit in the autumn. Such co-operation between producers of counter-seasonal crops so as to retain seasonal workers, should also be encouraged and industry bodies should find ways to facilitate such cooperation. We also spoke to a subset of seasonal workers in the Ceres area, who were professional pickers, migrating from one picking area to the next. More research should be done on how such workers organise labour for themselves and how they could be assisted in this process. This function of organising constant, counter-seasonal work could also potentially be provided by worker cooperatives. Trade unions and civil society could play an important part in the latter, as such cooperatives could provide important auxiliary services to seasonal workers, such as saving schemes and the management of a pension or provident fund. The formation of worker cooperatives that could provide year-round work to current seasonal workers, would be in line with a recommendation of the FARE report (2012: 32). It suggested that measures be implemented to enhance the social protection of seasonal workers, including facilitating improved access to Unemployment Insurance Fund (UIF) benefits and the promotion of self-help schemes, such as saving and credit cooperatives.

Section 2.4: Externalisation

Outsourcing in the sugar cane industry

The research showed that the most extensive use of labour brokers was in the sugar cane industry. However, here they were referred to mostly as contractors, not labour brokers. Producers in the area viewed labour brokering as only the provision of labour: here the producer still had to supervise and manage the labour brokers' workers. Contractors, they argued, were hired to provide a complete service: the provision of labour, including their supervision and management. The key distinction therefore seems to be one of control, but it is a blurred distinction as will be shown later. Essentially, both these practices amount to externalised labour, where the labour broker or contractor is ultimately responsible for the hiring and firing, as well as the payment of workers, with the grower being the client.

The use of externalised labour in the sugar cane industry is fairly new. The shift to outsourcing cane cutting took place between the late 1990s and early 2000. Some producers have also outsourced weed control and fertilizer application in cane fields. The main driver has been to cut labour costs and improve efficiencies. In Eston, sugar cane producers and key stakeholders contended that the use of contractors by large-scale sugarcane producers in the region was relatively rare because (a) rates charged by contractors were high, and (b) enforcing contracts to ensure that work was undertaken to standards acceptable to the client was difficult. Further, clients of contractors pointed out that hiring a contractor often did not completely transfer responsibility for managing the task to the contractor, and that trying to manage staff employed by someone else presented its own challenges. However, small-scale sugarcane producers and some large-scale sugarcane producers were often reliant on contractors because they did not have their own equipment or lacked particular farming skills. This is often true of land reform beneficiaries.

Mostly though, logistical considerations were cited as the main reason for using contractors extensively. Sugar mills need a constant and even supply of cane to operate at full capacity 24/7 as it is extremely costly to restart a mill. Moreover, cane needs to be milled within a day of cutting, or it begins to lose quality and sugar content. Contractors are a key link in this chain, each managing a timetable of cutting and delivery to the mills from a designated set of growers. A further consideration is the high cost of loaders and haulage trucks, and the need to spread this investment over a number of growers – it would not be viable for individual growers to have their own machines as they would need to work at full capacity to cover costs. Similar scale considerations apply to labour – a single contracting team can harvest the monthly delivery quota for a grower in a day or two, and then move on to the next farm. It is more efficient, some argue, to have a managed team moving from farm to farm rather than each grower employing and managing cane cutters for a few days per month. The few growers that still directly employ cane cutters, work according to a daily quota at the mill, have small cutting teams, and spread harvesting out over the whole season.

In the Eston area, the primary reason given by established large-scale producers for using contractors was to transfer “challenges of managing unskilled, migrant labour to people who have that skill”. But given that the majority of strike activity in the region is undertaken by harvesting staff, producers outsource the risk of having to contend with striking workers to contractors. Labour

absenteeism is also a challenge in the industry. Increased reliance on foreign migrant workers to harvest sugarcane in the region has created additional the headaches of securing work permits for these workers. Consequently, some established large-scale producers consider the benefits of using contractors so as to outweigh the costs.

In the Eston case study, three of the farms contracted services to other producers. One of the three provided transport (haulage) services for forestry and sugarcane producers. The other two provided services such as planting, weeding, and harvesting to other sugarcane producers. One of them primarily serviced relatively large-scale clients (farms typically greater than 40 ha in freehold regions). Another primarily serviced small-scale clients (farms typically less than 2ha in communal farming areas).

In Nkomazi, cane cutting has been outsourced almost entirely to specialised cane cutting and haulage contractors over the last ten years. All but a few cane growers now make use of these services. Among the 12 cane cutting/haulage contractors operational in the area, there are said to be a number that employ foreign nationals without work permits and are not legally compliant with regard to wages and working conditions. It was not possible to secure interviews with such operators, for obvious reasons. Among those at the more formal end of the spectrum, however, levels of compliance are high and working conditions and wages do not differ significantly from those of directly employed cutters. Directly and indirectly employed cutters are all managed and paid according to an area-based piece-work system.

Cane outgrowers in areas of Nkomazi that fall under the jurisdiction of Traditional Councils, make use of the services of small-scale agriculture contractors for planting and weeding. According to the DoL Inspector in the area, there are about 40 such contractors operating in TC areas. These contractors operate in an economy parallel to commercial operations on freehold land. Growers pay contractors half the rate paid by commercial farmers, and the contractors in turn pay workers at half, or less, the minimum wage. A group of small-scale contractor workers interviewed said that they were paid between R40 and R80/day, depending on the amount of work they were able to complete (see Annex 1). The contractor himself complained about low rates and high operating costs, as well as payment delays. The work was so poorly paid that only those with no other options were willing to do it. Most of the workers were foreign migrants without ID documents and work permits, unable to get better paid work on commercial farms in freehold areas. Turnover and absenteeism rates were very high.

Labour brokering on the fruit and wine farms of the Western Cape

On the Western Cape case study farms, six of the fourteen case study farms - of which three were base in the Robertson area - made use of labour brokers. Apart from one farm, that only used labour brokering for a fairly specialised task (pole planting), the rest of the six used labour brokers throughout the year for a range of tasks. Brokers provided 30-50% of some of these producers' temporary work force. On one farm – which in other respects had best-practice labour practices – almost 100% of its temporary workforce was provided by a labour broker.

Of the six farms which used labour brokers, two were certified by the ethical trade organisation WIETA. These farms did much more extensive checks on their labour brokers than others who engaged brokers. On the two WIETA-certified farms, management checked for proof of brokers' registration with the South African Revenue Services (SARS), the Unemployment Insurance Fund

(UIF), the Compensation Commissioner and also for VAT registration slips. They also requested a copy of the contracts between labour brokers and workers. To ensure compliance with minimum conditions of employment, one of the farms prepared the wage slips of the contractor, checked that hours of work were correctly entered on payslips, and also checked that the broker paid workers their due leave entitlements. The best-practice producer also entered a contract with its labour contractors, stipulating that they had to comply with labour legislation. Moreover, it provided health and safety training to the contractors to ensure that they adhered to the Occupational Health and Safety Act (OHSA). In contrast, a small table grape producer who shared an administrator with three other farms – and who had not yet undergone an ethical audit – seemed unclear of what procedures to follow to ensure that the labour broker complied with labour legislation.

In the Western Cape, the most often mentioned benefit of using labour brokers was that they could secure labour at short notice. The latter is a considerable advantage when a producer has to get his/her fruit harvested at optimal ripeness and is experiencing a shortage of labour due to unexpectedly high yields, or a loss of harvesting days due to adverse weather conditions. Other benefits listed of using a labour broker included not having to provide housing to workers and not having to contend with their workers' social problems. Producers could also "pick" only productive contract workers by looking at their track record for previous seasons.

Main disadvantages listed of using labour contractors included the poor quality of work; suffering reputational damage if the labour broker did not abide by the law and not knowing the people working on one's farm, an increasingly common factor for farmers who feared for their personal safety in the light of the high incidence of farm attacks. Scepticism regarding labour brokers' adherence to legislation and that brokers might exploit workers were also considerations, as most Western Cape farmers are subjected to ethical trade audits. To avoid non-compliance with ethical trade codes, many producers have started to use labour brokers as de facto recruiters and supervisors: the producer himself however pays the workers of the labour broker and ensures that they receive all their statutory leave entitlements.

A spectrum of labour brokers

It was difficult to secure interviews with labour brokers. More than once they cancelled interviews at the last minute. Interviews with labour brokers however revealed that there were brokers across the legal spectrum. On one end of this spectrum was a white contractor from the De Doorns area who provided a range of services to producers – from taking care of the entire management of a farm to providing a traditional labour brokering service only. He had an ongoing relationship with eleven producers in the area. As the eleven farms were spread between Worcester and Touws River, the grapes did not ripen at the same time, enabling him and his workforce to move from one farm to another, as the fruit ripened. As a result of this arrangement, he was able to provide work throughout the year to 64 people. During the summer months, he employed another 32 workers to work in the pack house. Ten of his workers were fairly skilled and earned more than R150 per day. One worker – who earned R110 per day three years ago – was now in charge of the various farm teams and earned R16 000 per month. Apart from getting statutory leave, his workers also received two bonuses per year. His teams were called in mostly when his clients' own workers failed to reach targets. He argued that this approach – of giving his clients' workers high targets, but also paying and advising his clients to pay them well if they met the targets – not only saved producers' labour costs, but also enabled their workers to earn a higher income. He argued that the introduction of targets

on the eleven farms where he worked, helped raise workers' wages. He claimed that workers earned R112 – 120 per day during the winter months; R130 per day during harvest preparation (Oct-Nov); R140 per day in December and R120 to 130 per day during the packing period (January to April). However, even among *his* employees, there was a divide between core and peripheral workers: on the one hand there were those who were employed throughout the year; on the other there were those who were employed only during the season. Moreover, this 'high road' of 'empowerment' broking is likely to require significant resources and connections to maintain.

Smaller, mostly Coloured brokers tended to compete for a slice of the pie and complained that they were being sidelined by (white) producers. Based on an interview with one of them, it seemed that some of them were, or still are, non-compliant. "I think just before or after the strike the Department of Labour had an information session for producers and contractors at the Graham Beck training centre in Robertson," he explained. "That was the first time that I heard about the laws that we have to comply with. I did not know about the UIF and SDL deductions and all that stuff. I thought I only had to register as a broker. That was also the first time I heard that we had to sign a contract with workers and I never knew about the types of leave... After the main session with all the producers, the Department asked that the labour brokers stay behind and they explained everything to us nicely... There were about 50 contractors. There were a few white guys, but most of them were Coloured. The Department was really helpful. They also said we could make an appointment with them and that they would help us. They also gave us a number to phone." Although this broker had since tried to register with COIDA, he complained that "it takes incredibly long to apply and you are only put through to the right person after how many calls. I have applied three months ago already, but have not heard anything."

Labour brokering on the rest of the case study sites

Direct employment is the norm on farms in Levubu. Some enterprises make use of contractors with specialist machinery and skills for operations including pruning and earth moving. Among the farms in the case study, only one reported using pruning contractors; the rest relied solely on directly employed workers. According to informants, only one - a large farming enterprise in Levubu - had outsourced all its farm labour. This farm made use of small-scale contractors who also worked on small grower farms in TC areas. There were around 20 of these small contractors pitted against each other and struggling for survival, according to one such contractor interviewed. The high number of labour contractors in the area seemed to suggest that labour brokering was more prevalent in the area than suggested by some.

No use of labour brokering was reported in the Sunday's River Valley, although the use of labour recruiting agents is reportedly increasing. Use of labour brokering was also rare in the Ventersdorp and Bothaville area, where there was a low need for labour. On maize farms, producers mainly used contractors, rather than labour brokers for specialised services, such as for the provision of security services, fencing, earth moving and sheep shearing. However, another type of externalisation was apparent on these farms. Some producers did not consider it worthwhile or cost effective to pay workers the minimum wage to pick up maize cobs not picked up by the combine harvesters. Instead, they contracted with the leader of a group of unemployed people to come and do the work. At the end of the harvesting period, the producer paid the team leader a fixed amount, which s/he then divided among the rest of the group. Producers did not check how much individual team members were paid. This practice amounts to informal labour brokering but at the most insecure end of the

spectrum. However, as previously noted, producers view this practice as their “welfare contribution” to add to the livelihoods of local unemployed people. They would probably cease the practice if they were forced to employ such workers under conditions that met the requirements of SD13.

Section 2.5: Migrant labour

The use of migrants on case study farms

Apart from producers in the Ventersdorp, Bothaville and Levubu areas, producers in other case study sites - especially in SRV, Eston and Nkomazi - made extensive use of migrants. In the Western Cape, extensive use of migrant labour was found on only four of the fourteen case study farms. Migrants on Western Cape case study farms came predominantly from the Eastern Cape, Lesotho and Zimbabwe and a small percentage from the Northern Cape. However, according to key stakeholder interviews, use of migrant labour is also on the rise in the Cape. Whilst the use of migrant labour is a newer trend in the Western Cape and SRV, it has been common for some time in Eston and Nkomazi.

Ventersdorp and Bothaville producers did not use many migrants, because their need for seasonal labour was very low. Although Levubu producers had a high labour demand, they were surrounded by a TC area where unemployment was high and as a result, had a ready source of available labour. Although there has been an enormous influx of economic and political migrants from Zimbabwe into the Vhembe District of Levubu, employment of foreigners on farms in the area is apparently relatively low. This is apparently the result of a trade-off agreement struck by local producers’ associations, the Department of Labour and Department of Home Affairs. It was agreed that if Levubu producers did not employ foreigners, then corporate work permits would be issued to producers north of the Soutpansberg. The researchers tried to obtain more information about this interesting agreement, but were unable to do so. An official in the office of the Department of Home Affairs (Pretoria) did not know about it.⁷¹ Although some Zimbabweans work on farms in the Levubu area, they are allegedly a minority.

Despite the fact that Nkomazi producers, like their counterparts in Levubu, were neighbours with a TC area with high unemployment, they relied extensively on foreign labour. The Nkomazi area borders both Mozambique and Swaziland and as a result the area has experienced a large influx of economic migrants. Cross border migration has been ongoing for a long time and in the process identities have become blurred. Many foreign nationals are permanently employed on farms in the area and possess SA identity documents. In both the Nkomazi and Eston case studies, migrants work predominantly as sugar cane cutters employed by contractors. In Nkomazi, migrants come mostly from Swaziland and Mozambique, while in Eston they come from the Eastern Cape and Lesotho.

In SRV, all informants reported that producers previously relied almost exclusively on workers from the local area for seasonal picking. However, by 2014 migrant workers made up between 30 and 100% of the seasonal picking teams on the five farms in the SRV case study. All farms visited in the Valley have built hostels for seasonal workers in the last ten years, included four of the five case study farms. These migrants included a significant proportion of foreign nationals. Zimbabweans

⁷¹ Interview Jack Monedi, Chief Director responsible for permits, Department of Home Affairs, 28 November 2014.

made up about 30% of seasonal migrant labour, but numbers were dropping since controls by the Department of Home Affairs had become stricter.

Reasons for employing migrants

The use of migrant workers is perplexing as producers in most case study areas are fairly close to areas of high unemployment. Yet, in a number of case study areas (especially Western Cape, SRV, Nkomazi and Eston - mostly those with high labour demands) producers consistently complained that they struggled to find local workers prepared to do farm work, or else that local labour was unreliable.

Nkomazi sugar cane producers' explanation for the systemic use of migrant contract workers was that locals were unwilling to do the job because there was a strong stigma attached to cane cutting - equivalent, in the words of one key informant to work that is done by "the untouchable caste in India".⁷² Similarly, Eston producers claimed that "it is beneath the Zulu culture to do cane cutting". Xhosas from the Eastern Cape and Sothos from Lesotho were apparently prepared to do the work. Yet, Eastern Capers are seemingly also becoming less willing to cut cane or - according to another explanation - are finding other more lucrative alternatives.

Eston producers indicated that they preferred to source migrant workers from the Eastern Cape, but that the supply of cane cutters from that region had diminished. Ten years ago the vast majority of their cane harvesting staff were sourced from the Eastern Cape. Today at least 50% of cane cutters come from Lesotho. Producers said they preferred Eastern Capers because they struggled to obtain work permits for Basothos. An official in the Department of Home Affairs acknowledged this difficulty, explaining that his department did not really think there was a shortage of South Africans to do the work. "Pay them more, and they will do the work," was his advice.⁷³

It seemed that willingness to cut cane might indeed have less to do with culture and more to do with a lack of money or alternatives. The economically depressed Eastern Cape, especially its poorer regions, has always been a source of migrants. However, as both citrus producers in the Sunday's River and fruit producers in the Western Cape have started to expand their businesses as a main strategy to cope with dwindling profit margins, so their need for labour has increased. Migration from the Eastern Cape to both the fruit farms of the Western Cape and the Sunday's River has increased drastically over the past ten years.

The main reason offered by SRV producers for employing such a high number of migrants was that they were not able to attract sufficient number of local workers. One SRV farm was actively engaged in a programme to upgrade working conditions to publicise his efforts, in an attempt to attract local workers. Once again, key stakeholders offered various reasons why local residents did not want to pick fruit, despite high levels of unemployment in the area. Unions and NGOs mostly argued that this was because wages in the area were too low, coupled with the strenuousness of the work. Producers tended to point to the fact that locals had access to alternative income sources including social grants. A particularly interesting explanation was that local workers were now making their income by providing "services" to migrants, for instance by renting accommodation to them.

⁷² Cane cutting was historically done by indentured labourers brought to South Africa from India.

⁷³ Jack Monedi, Chief Director responsible for permits, Department of Home Affairs, 28 November 2014.

Given that citrus orchards in the valley have expanded tremendously in the last ten years, there is no doubt an increased need for labour. Yet, the problem seems to be one of willing labour rather than that of a labour shortage. When Chirara, *et al.* (2014) interviewed unemployed people in the area, low wages was given as the main reason why workers were unwilling to prick fruit. Yet, they found an oversupply of labour in pack houses. Similarly during this study the managers of a SRV pack house reported no difficulties in recruiting seasonal workers. In fact they said there were more applicants than jobs. All these packers lived in local townships, although around 38% of seasonal workers were from Uitenhage, who temporarily took up residence in the local townships for the season. Labour relations and working conditions were however of a high standard at this particular pack house.

Control over on-farm migrant workers seemed to be a key attraction of migrant workers, especially to curb absenteeism. This was especially a factor in the sugarcane industry and more specifically post-pay day. Producers' cane supply agreements with sugar millers obliged them to deliver sugarcane to the mill according to a very specific, pre-set time table. Systemic high rates of labour absenteeism could result in hugely expensive stoppages of the mill. Lower absenteeism among migrant worker population was also listed as one of the benefits of employing such workers, by producers who worked with huge volumes of fruit that had to be harvested within a small window of opportunity. In these circumstances it was critical to have a reliable workforce that turned up for work consistently as absenteeism could lead to serious crop losses. It was much more difficult for on-farm migrants not to report for work, than workers living off-farm, who, as one producer put it, could "choose if he wants to climb on the truck and come to work".

The level of control that producers had over on-farm migrant workers was also pointed out by a trade union organiser of FAWU: "Producers have a lot of control over workers: they fetch them, they stay in compounds; they take them to the shops; they give them credit at the beginning of the season to buy food; they keep their IDs for the duration of the season as an insurance; and then they decide when the workers will go back again."⁷⁴ But there was another reason why producers found it necessary to exert such control over foreign migrant workers – especially by keeping their IDs. According to a DoHA official, a holder of a corporate visa can be fined R50 000 if one of the workers linked to the visa is found working in another workplace. Producers also run the risk of the entire visa being terminated by the DoHA. Across case studies, producers who used migrant labour reported having stepped up controls to curb the use of illegal migrants. But they complained that they sometimes struggled to identify who was local and who not, and that many migrants had false IDs. A trade union organiser also remarked on the number of bogus marriages in the area to obtain South African identity documents.

Another advantage of using migrant labour was that it obviated the need to build individual (more expensive) housing for workers who might settle on the farm permanently and acquire ESTA rights. In most cases, producers' contracts with migrant labour made it clear that accommodation was strictly tied to the duration of their contract. Moreover, the often cramped conditions of hostel accommodation deterred most migrant workers from seeking such rights. The retention rates of on-farm migrant workers in the WP case study were lower than those of other off-farm seasonal

⁷⁴ Interview with Mxolisi Mngxunyeni, FAWU organiser, Ceres, 29 July 2014

workers. The fact that workers stayed in kampongs, usually could not bring their children with them, and were far away from services, no doubt contributed to such lower retention rates.

Like their counterparts in other case studies, a third of producers interviewed in the Western Cape expressed a preference for employing workers from Lesotho and Zimbabwe, claiming that they were more willing to work and more reliable than locals who “could fall back on social grants” and “were unreliable”. A key producer informant – in his late 50s - had a different, more rational explanation for this increasing use of migrants. He remarked that “when I started farming 20 years ago, there were almost no Africans in the area. Today, 60 – 70% of permanent and seasonal workers are black. About 80% of black workers are younger than 35, they speak English and they have a higher education level than the locals. In contrast, most of the young Coloured people have migrated to the towns or cities. The Coloureds who have remained on the farm have aged,” he said.

There are indications that some migrants have begun to settle permanently in nearby towns, to avoid having to live in kampongs, to enable their families to join them, but also to have better access to services. In both De Doorns and Ceres, workers hired accommodation in townships and informal settlements during the harvesting season and then migrated back to their permanent homesteads during the short off-season. As a key producer informant in Ceres commented, “Black people used to live in hostels, but they have increasingly settled in Nduli. For instance, in the past there was no black school here; now there is”. Allegations were made that a significant percentage of migrants in the Western Cape were here illegally. According to a municipal manager interviewed in Robertson, town councillors of the town’s five informal settlements - that accommodated approximately 930 informal structures - claimed that between 40% and 50% of the people living in these informal settlements were illegal immigrants.

A FAWU trade union organiser in the Western Cape claimed that the reason why producers employed foreigners was because they underpaid them and called in the Police to deport them if they complained. It was not clear whether these were new allegations or the repetition of allegations made during the De Doorns 2012-protest, discussed below. Yet, the claim that all producers underpay foreigners needs to be interrogated. Theron (2010) found that Zimbabwean workers in De Doorns were in fact paid more than permanent on-farm workers. In the pay records inspected on case study farms during this research, we could find no evidence of underpayment of foreigners in the Western Cape.

The perception that migrants are paid less than locals and that the so-called “inkommers” are taking away the jobs of locals is causing a lot of tension in the rural towns of the Boland. The starkest example is the 2009-attack on Zimbabweans in De Doorns when 7 people were killed when their shack was set alight.⁷⁵ In 2014 a trade union official from BAWUSA in De Doorns remarked that producers “no longer use locals, but instead use an increasing number of foreigners”.⁷⁶ Although producers in the Hex River have increased their use of foreign nationals over time, what is clear from Table 2.13 and 2.14 below, is that the majority of workers employed in the Hex River Valley are still South African. Foreign nationals respectively comprised 26% and 20% of the seasonal work force in season and out of season. When it came to permanent workers, foreigners made up about 4% of the

⁷⁵ Zimbabweans killed in fire. Independent Online, 23 February 2009. <http://www.iol.co.za/news/south-africa/zimbabweans-killed-in-fire-1.435436#.VOGC7Gf9IOW>

⁷⁶ Interview Peter Visser, Assistant General Secretary, BAWUSA, Pretoria, 6 September 2014

workforce. These figures belie the riotous claim that “foreigners are taking away our jobs”, as was reported during the 2009 attack on Zimbabweans.

Table 2.13: Hex River Valley: Seasonal workers (In Season: September to April): 2013/2014

RSA		ZIMBABWIANS		SOTHOS	
Men	Women	Men	Women	Men	Women
2665	5218	558	910	272	318

Table 2.14: Hex River Valley: Seasonal workers (Out of season: May - September)

RSA		ZIMBABWIANS		SOTHOS	
Men	Women	Men	Women	Men	Women
992	1066	121	97	78	110

(Source: Hex River Table Grape Association producer survey)

While the use of illegal migrants by producers is clearly problematic, the practice of clamping down on illegal migrants by fining producers can also lead to less than ideal consequences. A key producer informant from Robertson claimed that before the De Doorns strike, there were a lot of illegal immigrants in the Robertson area who “sometimes had fraudulent documents”. He explained further that before the strike “the story started to spread that producers would be held accountable for illegal migrants, so...they started to pro-actively fire migrants”. One producer remarked that “before the permit thing, 30% of our workers were from Lesotho, but now we have no such workers left”.

At the time of the De Doorns-2012 protest, newspapers reported on the alleged underpayment of 35 Basothos on a mushroom farm near De Doorns. The workers were arrested by Police following an unprotected strike on the farm and it was reported that they would only be released if they paid a fine for their expired asylum papers (It was not clear why workers from Lesotho would be granted asylum). It has been suggested that the clampdown on Lesothos was one of the factors that contributed to the De Doorns 2012-protests. As the authors of the FARE report (2012: 32) have commented, it is critical that the Department of Home Affairs provide greater transparency as to when it will grant permission for foreigners to work on farms and that this should involve consultation at the local level.

In all the case studies where producers farmed with labour intensive crops, migration seemed to have increased. It was not within the scope of this research to extensively explore this issue and it is suggested that further research be done on this topic, specifically to gauge whether migration into labour intensive zones is happening in the face of labour abundance in the receiver communities. Claims that locals do not want to work, because they can rely on social grants and that they are “unreliable” and “lazy” do not add up. We have seen that where locals are paid better wages, as in the case of pack house work, there is no shortage of a local labour supply. To suggest that locals are not working, because they have access to social grants, does not make economic sense. The value of a child grant is currently R300 per month; a pensioner’s grant is R1 350 and a disability grant is R1 200 a month. The idea that either a pensioner or a disabled person may be able to support a

household of unemployed people flies in the face of BFAP's finding that a family of four cannot survive if both parents earn R150 per day and have access to a range of social grants.⁷⁷ That a single mother can support herself and her children on a grant of R300 per child per month is even more unlikely.

Moreover, the fact that the bulk of migration seems to be internal migration – i.e. South Africans from one area migrating to another area in search of work – lends absurdity to the argument that South Africans do not want to work because they are “lazy” and “unreliable”. A more rational explanation might in fact be that the “locals” are already working, but that more labour is needed in certain high-intensive production zones, due to the significant expansion of agriculture in these areas. While gross agricultural employment might have decreased, in certain areas employment seems to have increased. This is evident both from Table 5, which discusses growth in employment on case study farms in the SRV, as well as Table 7, which indicates that more than half of farms in the Western Cape case studies have increased their workers during the peak season.

Finally, the dynamic of migration presents certain challenges for healthcare management, especially that of HIV/AIDS. The disease is especially a problem among migrant communities due to multiple concurrent partners, but also because of a lack of health education.⁷⁸ While both a health administrator in Ceres and a clinic sister in Robertson commented on the high incidence of HIV/AIDS and drug-resistant TB in the areas, the health manager in Ceres reported that about a quarter of their patients in the Ceres area are from the Eastern Cape and that “before we know it, they have gone back”. This has serious implications for treatment with anti-retrovirals, which requires high compliance with treatment regimes in order to avoid a build-up of resistance.

Section 2.6: Working conditions

Wages

Obtaining reliable information about wage ranges in the agricultural industry is difficult. Other than the sugar industry, none of the commodity organisations contacted collected information on wages paid by producers. The South African-based ethical trade bodies WIETA and SIZA routinely obtain detailed information on workers' wages and working conditions on fruit and wine farms during the course of their audits, and have been doing so for a number of years. They are in a prime position to provide information on wage and employment trends in the industry. However SIZA has experienced problems with the “service delivery of its first data system” and was therefore unable to provide the researchers with any data. WIETA did not respond to requests for interviews.⁷⁹

⁷⁷ Bureau for Food and Agriculture Policy (BFAP), December 2012. Farm Sectoral Determination: An analysis of Agricultural Wages in South Africa.

⁷⁸ Interview with Mr Ramphelane Morewane, Chief Director of Hospital Services, National Department of Health, 27 November 2014, Premier Hotel, Pretoria

⁷⁹ Several telephone messages were left at the offices of WIETA. A final request inviting the organisation to participate in the research was e-mailed on 19 January 2015. No response was received.

In 2013 the Western Cape's Department of Agriculture commissioned a study to assess farm workers' welfare in the Western Cape.⁸⁰ Results from the first phase of the ongoing study found that, of the 925 employed workers interviewed in the Overberg District Municipality (which includes the labour intensive deciduous farms of Theewaterskloof, Elgin, Vyeboom and Grabouw), 69% of participants had an income of between R1500 and R3000 per month. It is not clear exactly when fieldwork took place, but the study was completed in October 2013. Supposing that fieldwork was conducted after March 2013, the minimum agricultural wage would have been R2420.41 per month. The survey report results did not state whether the respondents worked on a permanent or seasonal basis. Neither did it mention what percentages of workers earned the minimum wage and what percentage earned less or more.

While wage information is captured by the Census and the Quarterly Labour Force Survey, it is difficult to extract precise information from these instruments and to pinpoint exactly who is a farm worker as the definition of a farm worker used in these surveys tends to be vague. With this caveat in mind, Census 2011 stated that 55% of *households* living on farms in the Western Cape earned less than R3 200 per month, the amount needed to qualify for a housing subsidy (WCDHS, 2013)⁸¹.

Using the monthly income variable included in the Labour Market Dynamics in South Africa (LMDSA) dataset, during this study, regression analysis was used to look at the correlates of farm worker hourly wages.⁸² The data suggested the following:

- There is an apparent gender wage gap: on average, and all other things being equal, women earned roughly 11% less in 2011, 9% less in 2012 and 6.2% less in 2013 than their male counterparts.
- There was little difference in the hourly income between African and Coloured farm workers in 2011 and 2012, but an estimated 13.5% difference in the average hourly wages in 2013. The explanation for the latter could not be found during the course of this research.
- Semi-skilled workers, on average, consistently earned more than unskilled workers. The estimated difference in earnings increased from 13.3% in 2011 to 18.4% in 2012 and was estimated at 18.9% in 2013.
- There were also differences in average earnings between provinces, with the Western Cape farm workers generally earning the highest.

Using the farm worker wages in the Western Cape as a baseline for comparison, the LMDSA also enabled us to compare how much more or less workers in other provinces were earning in comparison to their counterparts in the Western Cape. Table 2.15 below includes only provinces

⁸⁰ The research was conducted by Uhlula Consulting, who was commissioned by the sub-programme: Farm Worker Development, within the Programme: Rural Development Coordination in the Western Cape Department of Agriculture. The survey is currently being undertaken in other areas of the Western Cape by the same service provider.

⁸¹ Municipal Guidelines for responding to farm residents housing needs in the Western Cape, Western Cape Department of Human Settlements, October 2013: 10.

⁸² This yearly dataset takes editions of the Quarterly Labour Force Survey (QLFS) datasets for the four quarters of each year and pools them together to form an annual dataset. This dataset, unlike the QLFS, contains information on individual monthly incomes. Obtained from Statistics South Africa, Labour Market Dynamics in South Africa 2011: Metadata, Statistics South Africa, 2012, p.1. Regression analysis was done by Alex Montgomery, an economist at the Data First Centre in UCT's School of Economics.

with a high degree of statistical confidence. Apart from the Free State, whose position improved dramatically in 2013, it appeared that farm workers in Limpopo and the Eastern Cape consistently earned the lowest wages.

Table 2.15: Average percentage by which farm workers in other provinces earned less than those in the Western Cape (Source: Labour Market Dynamics in South Africa (LMDSA) dataset).

2011	Percentage	2012	Percentage	2013	Percentage
Mpumalanga	21%	KZN	26%	Free State	24%
KZN	22%	Mpumalanga	27%	Mpumalanga	24.5%
Eastern Cape	24%	Eastern Cape	31%	Eastern Cape	30%
Free State	33%	Free State	35%	KZN	30.8%
Limpopo	34%	Limpopo	43%	Limpopo	51%

In this study it proved to be a challenge to obtain accurate data on workers' wages. To triangulate wage information received from workers and producers, researchers were instructed to ask employers for the most recent payslips of workers interviewed as well as a current payroll, listing the names and wages of workers present on the day of the researchers' visit (Payroll information was also used for sample selection). As previously mentioned, two of the case study leaders did not follow this methodology, making triangulation impossible for case studies in Sunday River's Valley, Nkomazi, Levubu and Gauteng. Although this information was requested in other case studies, some producers were also reluctant to part with such wage information, in spite of reassurances from the research team that information would be anonymised and not linked to specific farms. This meant that triangulation across cases studies was uneven.

Employers were asked to report the highest and lowest wages of their farm workers, as well as the wage ranges for differently skilled workers. All farms in the Western Cape and some farms in the rest of the country provided this information. The fact that such a high proportion of farms in the Western Cape cooperated with the researcher, can possibly be ascribed to the fact that most of these farms had already undergone several ethical trade audits and were used to verification exercised by third parties. The results of this verification exercise, especially in the Western Cape, where a fairly complete data set was obtained, are significant as can be seen from Table 12 below.

Workers were specifically asked to report their wages *before* deductions. Table 2.16 indicates that a significant percentage of workers struggled to remember the exact amount that they were paid before deductions and tended therefore to underreport their wage. While deliberate underreporting of wages as a means of retribution against the employer cannot be excluded, this is unlikely, as will be discussed later. Of the 66 workers interviewed in the Western Cape, pay slips were obtained for 54 workers, so that it was possible to check their reported wage against their wage slips. The rest of the Western Cape workers were interviewed offsite, making it difficult to obtain payslips from their employers. Unless workers had kept their most recent payslip, it was not possible to verify their wages. Of these 54 workers whose payslips could be verified, 38% (21 workers) claimed that they earned less than the minimum wage for the period under review. However, when their payslips

were checked, 76% (16 workers) did in fact earn at least the minimum wage. On the Western Cape farms then, of the workers whose payslips could be checked, 92% were paid at least the minimum wage.

As can also be seen from Table 12 below, apart from one outlier, where a worker reported only 64% of his actual wage, the rest of workers underreported their wage by between 1 and 14%. These relatively small deviations from their actual wages more or less corresponded with the deductions made from wages for housing and electricity. In terms of SD13, producers are allowed to make these deductions.⁸³ The implication of this finding is that while wages reported by workers can be taken as an indicator, more caution must be taken when assessing whether workers are paid more or less than the minimum wage.

Table 2.16: WP: reported wages vs. actual wages. (Wages highlighted in red below, indicates instances where workers earned less than the minimum wage according to their payslips).

Wage reported by worker	Wages as reflected on payslip	Minimum wage per rate reported	Rate in which wage was reported	Percentage of wage that worker reported
R 12	R 13.51	R 12.14	per hour	89%
R 1 000	R 1 117.20	R 1 117.20	per fortnight	90%
R 1 000	R 1 117.20	R 1 117.20	per fortnight	90%
R 1 116.70	R 1 116.20	R 1 117.20	per fortnight	100%
R 2 276	R 2 495.37	R 2 420.41	per month	91%
R 2 340	R 3 710.16	R 2 420.41	per month	63%
R 2 048	R 2 431.72	R 2 420.41	per month	84%
R 2 100	R 2 431.72	R 2 420.41	per month	86%
R 2 100	R 2 431.72	R 2 420.41	per month	86%
R 2 234	R 2 234.00	R 2 420.41	per month	100%
R 2 234	R 2 234.00	R 2 420.41	per month	100%
R 2 300	R 2 429.00	R 2 420.41	per month	95%
R 2 300	R 2 429.00	R 2 420.41	per month	95%
R 1 100	R 1 050.00	R 1 117.20	per fortnight	105%
R 1 110	R 1 117.20	R 1 117.20	per fortnight	99%
R 1 050	R 1 117.20	R 1 117.20	per fortnight	94%
R 1 100	R 912.82	R 1 117.20	per fortnight	121%
R 1 110	R 1 005.48	R 1 117.20	per fortnight	110%
R 2 346	R 2 420.41	R 2 420.41	per month	97%
R 528	R 558.60	R 558.60	per week	95%

In other case studies, where wages could be compared with payslip and payroll data, a similar trend of underreporting of wages was reported but data available to illustrate this was less clear (See Annex 1).

⁸³ See SD 13.8.

As the pay rolls of all workers who were present on the day of the researchers' visit were also made available to researchers in the Western Cape, this data could be analysed to gauge how much scope there existed for workers to earn more than just the minimum wage. As the farms were visited outside of the peak season and the vast majority of seasonal workers were therefore not entered on the payroll, only wages of permanent workers were analysed. This information is nevertheless significant. For each of the Western Cape farms, the list of permanent workers indicated on the pay roll was divided into sextiles to gauge wage differences between sextile.⁸⁴ As can be seen from Table 2.17, apart from two of the case study farms, most farms paid a premium for higher skilled wages.

One farm – which produced a high quality, niche product and prided itself on its corporate image - maintained a high wage premium well into the sixth percentile. This farm was however the exception (The same farm had however also externalised its entire seasonal labour force: it only made use of contractors). Only a fifth of farms managed to pay higher wages into the third sextile. Most farms paid higher wages only to workers in the first sextile. Hence, only about a sixth of the permanent workforce on most of the Western Cape case study farms was paid higher wages.

Table 2.17: Spread of wages across case study farms in the Western Cape

	Type of farm	Median wage: Sextile 1	Median wage: Sextile 2	Median wage: Sextile 3	Median wage: Sextile 4	Median wage: Sextile 5	Median wage: Sextile 6	% workers earning more than R4500/month	% of workers who earn more than R150/day
Farm 1	Wine farm	8478	6027	4824	4276	3552	3054	44%	81%
Farm 2	Wine farm	8510	3544.00	2582.00	2420.00	2420.00	2420.00	20%	38%
Farm 3	Fruit farm	7246	3094	2865.44	2706	2528.47	2420	9%	21%
Farm 4	Fruit farm	7192	3084	2829	2718	2429	2429	17%	20%
Farm 5	Table grape farm	4050	2922	2425	2425	2425	2425	3%	15%
Farm 6	Table grape farm	2923	2706	2663	2435	2435	2435	0%	This producer claimed that 25% of his workforce earned more than R150 per day, but could not provide evidence thereof.

⁸⁴ While it is more common to divide wage populations into quintiles, in this instance, due to the relatively small size of some farms, dividing the population into quintiles obscured significant wage differentials.

Farm 7	Fruit farm	2858	2706	2533	2436	2436	2436	3%	5%
Farm 8	Wine and fruit farm	2950	2670.00	2600.00	2420.41	2420.41	2420.41	0%	3%
Farm 9	Fruit farm	4330	2598	2431.7	2431.7	2431.7	2431.7	0%	19%
Farm 10	Table grape farm	3225	2598	2420	2420	2420	2420	7%	7%
Farm 11	Fruit farm	3663.18	2533.05	2533.05	2463.77	2463.77	2463.77	0%	10%
Farm 12	Table grape farm	2533	2533	2420	2420	2420	2420	0%	0%
Farm 13	Table grape farm	2640	2455	2455	2455	2455	2455	1%	3%
Farm 14	Wine and fruit farm	3036	2420	2420.41	2420.41	2420.41	2420.41	4%	6%

Legend

- R4500 or more per month
- R3247 or more per month (R150/day)
- R2815 or more per month (R130/day)
- R2420.41 or more, but less than R2815 per month

A premium for skills

Across case studies, we found that skilled positions were better remunerated, which is in line with the LMDSA information presented earlier. This was reflected in the wage premium that the majority of producers were prepared to pay such workers, and is also evident from Annexure 1. Supervisors, tractor drivers, chemical sprayers, irrigation staff, pest monitors, quality control officers and crèche teachers could be paid up to R25 per hour. More skilled workers, such as workshop mechanics, lorry drivers and operators of specialised machinery such as front loaders and harvesting machines, as well as office clerks could earn up to R40 per hour. It is interesting to note that on the export-orientated fruit farms of the Western Cape and the Sunday Rivers' Valley, more skilled workers earned up to R50 per hour. Across case studies there were some outliers (excluding management staff) who earned R100 or more per hour. However, these workers made up an insignificant fraction of the case study sample.

There is a great deal of variation among farms as to what constitutes a skilled worker: on some farms, supervisors tend to earn a considerably higher wage than other workers, whereas on other farms, they earn a few rand more. While it is probably justifiable to pay a supervisor who has to supervise many workers more than one who supervises only a few, paying the latter no premium seems odd. There appears to be a need for a more consistent wage-grading system for the industry.

As can be seen from the last column in Table 2.17, four of the fourteen farms (and possibly a fifth) paid at least 20% of their workforce more than R150 per day, the wage that protestors demanded during the De Doorns strike of 2015. None of four farms were situated in the De Doorns valley. Two of these were located in the Ceres area and two in the Robertson area. The two farms in the Robertson area were both wine farms that sold high-value products and had a well-established brand. Not only did they consider it critical to uphold their reputation as an ethical producer, but it appeared that they were in a financial position to pay higher wages. One of these farms was also heavily cross-subsidised by other non-agricultural businesses of the farm owner.

The two farms that paid at least 20% of their workforce more than R150 per day and who were located in the Ceres area, differed in crucial respects: one was a large export-oriented fruit farm that was part of a well-established agri-business. The other was a medium-sized enterprise with considerably fewer workers. It sold the majority of its produce on the local market, known for offering lower prices. However, what gave the latter producer the edge, was that it not only processed fruit, but also sold oranges out of season which enabled it to realise much higher prices for its citrus than was the norm. There were some commonalities between the four producers who were able to pay their workers more: they were either part of a well-established export-orientated agri-business, or they sold a high value, niche product, and in some cases they were both.

What is also clear from Table 2.17 is that, with the exception of Farm 1, the majority of permanent workers earned only the minimum wage per day or slightly more (up to R14.50 per hour). This trend was also found in other case studies (See Annexure 1). This finding is significant because, taking the findings of BFAP-report into account, it suggests that the majority of workers on these farms are not able to feed themselves at nutritionally acceptable levels. BFAP found that a four-person household, where both adults earned R150 per day, would not be able to buy enough food to provide its family with a nutritionally-balanced daily food intake. Yet, in our case study only 12% of seasonal workers – who are usually paid the lowest wages - reported that they had gone to bed hungry during the previous week. Given BFAP's argument, one would have expected more workers to report having been hungry. However, not being hungry does not mean that workers are fed a nutritionally-balanced diet. It could just mean that workers sated themselves with high calorific foods.

A study commissioned by the Department of Agriculture: Western Cape, referred to earlier, found that 70% of respondents in their study followed a well-balanced diet.⁸⁵ This was despite the fact that the majority of households (61.2%) in their study were headed by adults who were single or had never married. The study did not make it clear whether these households contained children. By contrast, in 2013 the Department of Social Development announced that poverty and malnutrition (especially among children) had reached crisis levels in De Doorns, which precipitated a roll-out of emergency food aid. An administrator of the Western Cape Department of Health in Ceres commented that his department saw a high incidence of malnutrition in the area, especially among children under five years old. By contrast, a health worker in the Robertson area said that she had only seen one incidence of kwashiorkor (a form of severe protein–energy malnutrition) among

⁸⁵ They found that the majority of farm workers eat a “balanced diet consisting of cereal, Vitamin A rich fruit and vegetables, other vegetables, legumes and nuts, fats and oils, meat, poultry and fish, dairy and eggs. These foods are consumed more than four times, on average, per week.” Quantities eaten were however not indicated.

children under the age of 5 years old in the last 5 years.⁸⁶ However, in a countrywide study on rural household economies, it was found that women tended to go without food first if there was not enough food for all household members. For this study, the researchers tried to obtain information about levels of malnutrition in rural communities from both the Provincial Department of Health: Western Cape, as well as from the National Department of Health, but in spite of numerous requests to both, no feedback was provided.⁸⁷

Benefits

Many producers argued that they paid a range of bonuses and benefits on top of base wage rates, which considerably increased the total package received by workers, but also the producer's cost to company. Where workers have access to pension funds, highly subsidised housing, free electricity and free crèche services as well as free transport to town, such benefits indeed make a difference, as will be discussed later. Annexure 2 provides extensive detail about the range of benefits that workers across case studies received. Producers provided a range of services to workers, such as free or subsidised creches, subsidised medical expenses, community halls with satellite television, sports fields for workers, free transport to the local town, grazing land for workers' livestock and land to grow vegetable gardens. In best-case scenarios, producers have even built farm clinics and provided free or highly subsidised clinic services, as well as the services of social workers. In general, benefits provided to workers in the Western Cape were more extensive than those provided in other case studies. Many employers also paid cash bonuses to workers, which increased their wages, but the latter was often conditional. While permanent workers enjoyed extensive benefits, seasonal workers had far fewer benefits, as is clear from Figure 2.24.

⁸⁶Tshintsha Amakhaya, July 2012. Agrarian Rural Household Economy: Status report on livelihoods, rights, and land use in selected sites in the Eastern Cape, KwaZulu-Natal, Limpopo, and Western Cape.

⁸⁷To obtain health data in the Western Cape, on 8 August 2014 a first message was sent to the Manager: Medical Services, Breede Valley Sub district/Brewelskloof Hospital, Department of Health, Western Cape Government. We were advised by this office to email our request for information to Health.Research@westerncape.gov.za. A message was sent to that email address on 8 August. The message was followed up with telephone calls and e-mails to two representatives within the offices of Western Cape Government: Health on 1 October 2014. An email that was eventually received from the Assistant Director: Health Research, Directorate: Health Impact Assessment, Western Cape Government: Health on 22 October 2014, still did not provide the information we requested. As for the National Department of Health, a meeting was obtained with a representative of the Department on 27 November 2014. The representative could not immediately provide the data and requested that we e-mail the data request to his office. A further request was sent on 1 December 2014. However, no feedback was received from his office by the time the report was completed.

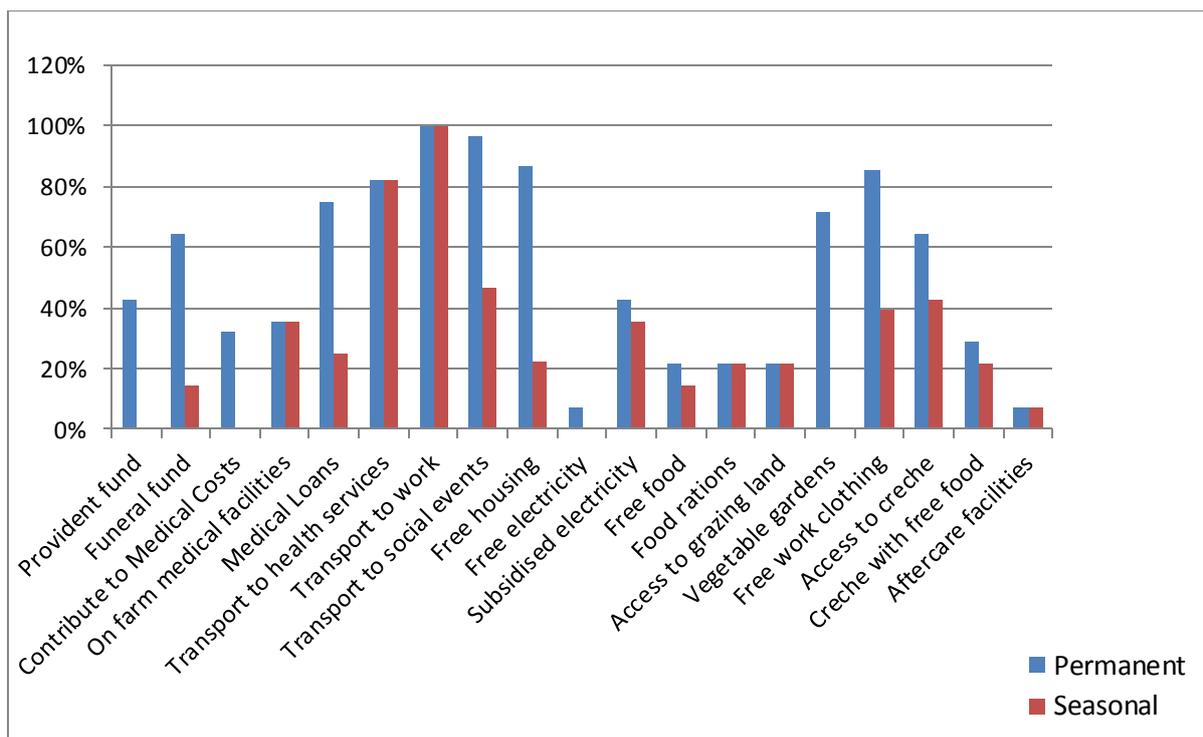


Figure 2.24: Difference in access to benefits: permanent vs. seasonal workers, Western Cape case studies.

Piece work

Producers often claimed that “most workers earn far more than the minimum wage, especially when they did piece work”. In most case studies, workers, especially seasonal workers, did piece work. Piece work - also referred to as task-based work - involved being paid a fixed price for completing a specific unit of work. In the fruit sector, such a task could for instance constitute picking a bag of fruit, or, in the sugar cane industry, cutting a specific length of the cane row, referred to as a “chain”. In Levubu, where workers picked macadamias and subtropical fruit, workers generally did not do piece work, while in the Bothaville and Ventersdorp case study areas, teams of harvesters worked according to a different system that will be discussed later. A minority of farms steered away from piece work, arguing that workers rushed too much to earn more money when they did piece work, with the result that quality suffered. Where producers placed a high premium on quality, they tended to pay workers per hour instead.

The piece work rate is normally set by employers who measure the output of workers over time, and often during subsequent seasons. The rate is set at a level such that most workers should be able to earn at least the minimum wage if they meet the piece work rate target. The piece work rate can however vary from time to time, depending especially on the crop yield. For instance, if the yield is low, the piece work rate per unit generally tends to be higher. The piece work rate is also sometimes adjusted, if, after initial measuring of the target, too many workers are not able to meet the target. It is common practice that workers are started on an hourly rate at the start of the season to allow them time to complete a task at speed before they are switched over to a piece work rate.

Piece work generally creates the potential for relatively more productive workers to earn more than the minimum wage. For this reason, many workers prefer piece work to hourly paid work. For instance, in the Sunday River's Valley productive pickers are reported to earn as much as R4800 per month. Conversely, it also means that slower workers run the risk of getting paid less than the minimum wage, unless producers (as some indeed do) guarantee at the least the minimum wage per day. However, given that the minimum wage is also set at an hourly wage, it means that there is no obligation on producers to pay workers the minimum *daily* wage— they just need to pay workers the *hourly* wage for the actual number of hours that they have worked. Potentially, this could mean that even though a picker is very fast, she could end up earning less than the daily minimum wage if workers did not work a full day.

Moreover, even when workers worked nine hours per day, it is very difficult to monitor whether workers have actually earned at least the minimum hourly wage when they do piece work. SD 13.6(1)(d,e), under the heading "Information concerning pay" states that:

"[o]n every pay day, the employer must give the farm worker a statement showing...

(d) the farm worker's wage rate and overtime rate;

(e) the number of ordinary hours worked by a farm worker during that period..."

However, in practice, the number of hours worked is often only indicated on payslips when workers are paid per hour. When workers do piece work, hours are seldom indicated. Instead, the piece work rate and units of piece work completed, are indicated.

Not enough regulation by SD13

While piece work is endemic to the fruit industry, not one of the contracts of workers selected for interviews during the Western Cape case studies reflected the piece work rate. Sectoral Determination 13 is surprisingly silent on the topic of piece work. It does not mention how the piece work rate should be calculated; whether the piece work rate should be agreed upon in writing between workers and management; and whether workers should at least receive the minimum daily or hourly wage when they do piece work. It also does not state that hours of work should be recorded when workers do piece work. Neither does it give guidance on how workers who consistently fail to make the piece work rate should be managed. The lack of regulation around piece work leaves a lot of scope of exploitation.

Being able to pay workers an hourly wage becomes especially problematic when adverse weather prevents harvesting. For instance, oranges cannot be picked when it is wet, as fruit bruise easier and tend to rot, while table grapes cannot be picked if it is too hot. Best practice is that producers usually give workers other work if they cannot harvest due to weather conditions. In the citrus industry, where fruit is generally not picked before 10 am in the morning in order to allow the dew on the fruit to evaporate, workers will for instance do orchard sanitation, field preparation or pruning during the first few hours of the day.

Where no alternative work is provided, being able to pay workers an hourly wage transfers the risk onto the most vulnerable. On one of the farms in the SRV case study for instance, workers only worked 45.82 hours a fortnight (as opposed to the normal 90 hours per week) due to rain. To distribute some of the risk, some producers guarantee workers a certain number of paid minimum hours, even if it rains, but this is usually capped at a maximum of 2 -3 paid hours per day. A random

selection of payslips in the SRV case study suggested that while some workers could earn the minimum hourly rate, they earned much lower than the gazetted monthly minimum wage, mainly because of reduced working hours. While SD13 allows employers to pay the minimum wage per hour, it does not impose minimum daily working hours. Neither does it suggest a higher wage rate where fewer hours are worked per week, such as the Sectoral Determination for the Retail Sector does. Once again, SD13 is completely silent on an issue endemic to the sector: this time about how the issue of work stoppage as a result of weather conditions should be managed.

Compliance with basic labour and health and safety legislation

During the research, workers were questioned on whether they had been granted key rights described in Sectoral Determination 13 and the Occupational Health and Safety Act (OHSA). These include inter alia the right to paid sick and annual leave; payment of overtime; access to personal protective equipment (PPE) when working with harmful substances; and access to clean toilets and drinking water.

Their responses, discussed in Table 2.18, only include responses obtained during Structured Individual Interviews (SSIs) with workers. Altogether 200 SSIs were conducted. Where researchers picked up possible problem areas in terms of adherence to SD13 and OHSA during SSIs, these were further explored during focus group discussions. Unlike wage information, where an attempt was made to triangulate information, it was not possible within the scope and limited resources of the study to verify information given in these worker responses.⁸⁸ Hence, while the responses below can be taken at face value, caution should be exercised as management was not given a chance to respond to workers' responses. Moreover, sometimes inconsistent information was provided by workers of the same farm, making it even more difficult to judge whether a specific right was granted on a particular farm or not. Hence, instead of taking these answers as a clear indication of compliance or non-compliance, responses should instead be viewed as an indication of a trend. It should also be borne in mind that the findings below represent a relatively small sample of farms.

In Table 2.18, the responses of permanent and seasonal workers were disaggregated, given that their work conditions often differed. Case study areas that performed better or worse than the average across case studies have been highlighted. As the sample of seasonal workers was too small to justify generalisation, the last two last columns pertain only to the responses of permanent workers.

⁸⁸ During social audits of farms, it is common practice that both workers and management are interviewed to gain a balanced perspective; responses are also triangulated by reviewing a range of relevant documentation and with on-farm inspections. This study did not attempt to replicate an audit, as it was not possible to do so within its scope and limited resources. However, where possible, best practice audit techniques were used to in an attempt to obtain unbiased information.

Table 2.18: Rate of compliance across case studies on certain core rights

	<i>Total</i>	<i>Permanent</i>	<i>Seasonal</i>	<i>Outliers i.t.o. compliancy (permanent workers only)</i>	<i>Outliers i.t.o. non-compliancy (permanent workers only)</i>
<i>Signed contract (not a legal requirement)</i>	90% (4% don't know)	84%	81%	WP: 98% ; Ventersdorp: 100%	PW: Nkomazi (47%)
<i>Worker has copy of contract (not a legal requirement)</i>	23% (4% don't know)	20%	27%	WP, Sunday's River, Bothaville: at least 50%	
<i>Contract displayed in the workplace (not a legal requirement)</i>	25% (4% don't know)	21%	30%	WP: 50%	
<i>Receive annual or pro-rata leave</i>	78% (4% don't know)	83%	63%	WP: 98%; Ventersdorp: 95%	Eston and Nkomazi: 67%
<i>Receive paid sick leave</i>	85% (1% don't know)	88%	77%	SRV, Ventersdorp, Gauteng: 100%	Eston: 75%; Nkomazi: 53%
<i>Work 9 hours (or less) per day</i>	91%	89%	96%	WP, SRV, Gauteng: 100%	Ventersdorp, Bothaville, Eston: 75-77%*
<i>Receive a payslip during each pay period</i>	96%	98%	91%		
<i>Are paid 1.5x the normal rate for overtime</i>	66%	70%	56%**	SRV: 100%; WP: 84%	Levubu: 38%; Eston: 50%
<i>Receive Personal Protective Equipment, if required by</i>	98%	98%	N.A.***		Eston, Nkomazi, Levubu: 67 – 69%****

<i>legislation</i>					
<i>Toilets available in the field/orchard</i>	73%	72%	76%		<i>Eston: 27%; Nkomazi: 33%; Ventersdorp: 59%</i>
<i>Field/orchard toilets are clean</i>	85%	87%	79%		<i>Nkomazi: 33%</i>
<i>Access to clean drinking water</i>	84%	86%	77%	<i>Gauteng & Levubu: 100%; WP & Bothaville (95-96%)</i>	<i>Nkomazi: 53%</i>
<i>Do not get alcohol as part of pay</i>	100%	100%	100%		
<i>Physically or verbally assaulted</i>	14%	17%	7%		<i>WP: 24%; Nkomazi: 20%</i>
<i>Sexually harassed</i>	3%* These offenses were committed by fellow workers.	2%	5%		

*Question likely to have been misinterpreted: workers who were unhappy with shorter hours, answered this question in the affirmative.

** This percentage should be treated with caution, as seasonal workers seldom work overtime.

*** Question not asked to seasonal workers as spraying is mostly done by permanent workers

**** Some employers charged workers for PPE, a practice prohibited by OHS Act. Where this practice occurred, it was noted as a non-compliance.

What is clear from Table 2.18 is that compliance with key labour and health and safety rights is generally high across case studies for permanent as well as seasonal workers. However there seemed to be a trend of non-compliance in the sugar cane growing areas of Nkomazi and Eston, two areas that make extensive use of contract workers who are not only migrants, but also foreigners – in other words workers who are especially vulnerable. Moreover, some of the producers interviewed in these two areas have reduced working hours to between 33 and 37 hours per week, which means that the wages that workers received are very low. Judging from the general working conditions in the cane industry – and relatively low pay (as is also evident from Annexure 1) it is not difficult to see why South Africans are reluctant to work in the sugar cane industry.

While seasonal workers were less likely to receive sick leave than permanent workers, across case studies, the majority of workers reported that they had to provide a doctor's or clinic note even if they were ill for only two days or less. Sectoral Determination 13 makes it clear that a medical certificate is only required on the third day of sickness, or, if workers have been ill more than twice in an eight week period. The rationale for this stipulation is that workers should be given time to recuperate from fairly minor illnesses without having to incur medical costs. By being forced to provide a medical certificate on the first day of sickness, workers effectively end up paying for the right to paid sick leave. While many employers in the case studies, especially those in the Western Cape, provided medical loans enabling workers to see the doctor, this measure merely defers the costs of having to paying medical bills. It would seem that this malpractice is not sufficiently dealt with by the Department of Labour's inspectorate division. Employers argue they follow this strict policy to combat the persistent abuse of sick leave. However, this measure transfers the risk of managing high levels of absenteeism to the poorest and the sickest.

The practice of not paying seasonal workers paid leave if they work on a farm for less than a four months' continuous period is equally widespread and can be attributed to the fact SD13 allows for different interpretations of when paid leave for temporary workers should be paid out. Section 21.(1)(b), read together with 29.1.(d-e), results in producers only paying fixed-term workers pro-rata leave if they have been continuously employed for more than four months.⁸⁹ It amounts to a significant cost saving for employers, but has the effect that seasonal workers who have worked for less than four months of the year for a specific employer – which is often the duration of a season – end up receiving no pro-rata paid leave.

Table 2.18 indicates that 100% of workers reported they were not given alcohol as a part of their payment. While this is encouraging, it does not mean that the legacy of the dop system has disappeared. Social workers and health workers interviewed in the Western Cape reported that there were still huge problems with alcoholism in certain areas of the province. In their study of factors associated with female high-risk drinking in a rural and urban South African site, Ojo, *et al.* (2010) chose a rural, predominantly agricultural region for one of their settings. The area produced wheat, vegetables, fruit and wine. Of the 412 women who participated in their study, 46% drank. Of those who drank, 64% were classified as high-risk drinkers. Ojo, *et al.* (2010) argue that interventions

⁸⁹ SD13: 21.(1)a, b. reads that:

"An employer must grant a farm worker– (a) at least three weeks leave on full pay in respect of each twelve months of employment (the 'annual leave cycle'); (b) by agreement, at least one day of annual leave on full pay for every 17 days on which the farm worker worked or was entitled to be paid..."

SD 13: 29.1.(d –e) reads that: "On termination of employment, an employer must pay a farm worker all monies due to the farm worker including –...(d) remuneration calculated in accordance with clause 21(9) for any period of annual leave due in terms of clause 21(1) that the farm worker has not taken; and (e) if the farm worker has been in employment longer than four months, in respect of the farm worker's annual leave entitlement during an incomplete annual leave cycle as defined in clause 21(1) – (i) one day's remuneration in respect of every 17 days on which the farm worker worked or was entitled to be paid; or (ii) remuneration calculated on any basis that is at least as favourable to the farm worker as that calculated in terms of subparagraph (i)."

are urgently needed to reduce the prevalence of high-risk drinking in women, especially to combat Foetal Alcohol Syndrome, which is a serious problem in South Africa.⁹⁰

Less compliance on small farms

In the Nkomazi, Levubu and the Eston case study, smaller black-owned farms appeared to be less legally compliant than bigger, white-owned farms. In Eston, a land reform beneficiary on one of the case study farms openly acknowledged that he did not abide by labour legislation (he paid general workers at below minimum wage rates), but he claimed that this was the norm among so-called “New Freeholds Growers” in that district. He further contended that inspectors from the Department of Labour turned a blind eye to such indiscretions by New Freehold Growers and Small Scale Producers in the sugar industry. Similarly, a DoL inspector from Levubu said that although the level of compliance on commercial farms in the freehold areas of Levubu was high, levels of compliance were much lower among small producers in TC areas. According to him, most farms paid wages which were less than the minimum and did not pay UIF.

In Nkomazi, one of the large, established contractors claimed that at least six of the twelve cane cutting contractors in the area were land reform beneficiaries and outgrowers, and were not fully compliant with labour law and other requirements. His claims were corroborated by an inspector of the Department of Labour in the Nkomazi area, who said that there were approximately 40 small scale agriculture contractors operating in TC areas. These small contractors operated in a parallel economy to commercial operations on freehold land. Small growers paid contractors half the rate paid by commercial producers and the contractors in turn paid workers half, or less of the minimum wage, depending on the amount of work they were able to complete.

Section 2.7: Changes following minimum wage increase in 2013

Paying the minimum wage

Following the 52% increase in the minimum wage in March 2013, the majority of case study producers were paying at least the minimum hourly wage. The exceptions were three farmers in Eston and one producer in Levubu. The Levubu producer, a small producer who operated in a TC, was considerably underpaying his workers: seasonal workers only received R50 per day and his permanent workers earned R1100 per month. None of these four producers had applied for an exemption from the minimum wage.

Across case studies, only three producers in the Western Cape and one in Levubu (not the one referred to above) had applied for an exemption. In the Western Cape, the applications of two producers were denied while a third never received a reply; the Levubu producer was successful in obtaining an exemption. The small number of producers who applied for an exemption in this case study is in line with the national trend that was reported on in the press. By 12 June 2013, the Minister of Labour announced that 1 988 producers had applied for an exemption, of which only 18

⁹⁰ According to South African National Council on Alcoholism & Drug Dependence (SANCA) South Africa has one of the highest incidences of FAS globally, with the greatest prevalence reported in the Western Cape. See <http://www.sancawc.co.za/master/article.php?id=14>

had been successful.⁹¹ A further 505 applications were still under consideration. Most of the exemptions have been awarded for either six or 12 months, by which time producers would have to pay the new minimum wage, so that at best, the extension merely brought them temporary relief. According to the Department of Labour, provinces where producers grew labour-intensive fruit and vegetable crops had the highest number of applications for exemptions. In total, however, only about 5.5% of producers applied for exemptions.⁹² Agri SA argued that the relatively small percentage did not necessarily mean that producers could afford the minimum wage, but was rather an indication that they had taken other measures such as retrenchments to deal with the wage increase.

Mechanisation and labour restructuring

BFAP (2012: vii) hypothesised that “one can anticipate that for highly labour intensive industries that cannot mechanise, the structural adjustments will be greater and the loss in job opportunities will be significantly higher.” Their argument is largely borne out by the findings of this study. On the fruit farms of the Western Cape that could not mechanise, there was a greater tendency to downsize workforces. Fifty per cent of Western Cape case study farms had reduced the size of their workforce since the March 2013 wage increase. Yet, none of the wine producers on the Robertson case study farms, who had already mechanised prior to the new wage increase, had reduced their workforces. Within the broader wine industry, the commodity organisation Vinpro found that the component spent on labour compared to total production costs on wine farms was decreasing, despite the 52% increase in minimum wage in 2013. This suggests that those producers who could afford to do so, have started to mechanise. According to Vinpro, within its sample of producers, approximately 58% of their combined hectares were mechanically harvested (This level of mechanisation is still fairly low in comparison to France and the USA, where the rates of mechanisation are respectively 75% and 65%).⁹³

Yet, while much has been made in the press about producers threatening to mechanise, of the three suppliers of grape harvesting machines in the Western Cape, two have not experienced a drastic increase in sales. While the third has experienced a 50% increase in harvester sales since 2013, this was from a very low base given that the company sold four machines in the Boland area in 2013. Increased mechanisation is probably curbed by high prices: a harvesting machine costs on average about R3 million and it is only the top 4% of the industry that can afford these machines. Moreover, since 2013 the value of the Rand has decreased with the result that the price of the imported harvesters has risen by 40 -50%. However, once the Rand strengthens again, this situation may change.⁹⁴

Of the Western Cape fruit producers who reduced their workforces after March 2013, most now employed fewer seasonal workers than before. They achieved this by not renewing the contracts of these workers. Trade unionists, NGOs as well as academics have noted that the reduction in

⁹¹ 1 988 applications received for exemption from farm worker minimum wage - Mildred Oliphant, PoliticsWeb, 28 May 2013.
<http://www.politicsweb.co.za/politicsweb/view/politicsweb/en/page71656?oid=379520&sn=Detail&pid=71656>

⁹² Ibid

⁹³ Vinpro Production Plan Survey 2013 (Part 2): The 10-year financial trends of the wine grape cultivation

⁹⁴ Telephonic and e-mail communication with Phillipe Bohn, CEO, Pellenc South Africa, and a representative of Cape Agri, 11 November 2014.

seasonal labour has especially affected female labour.⁹⁵ This means that the gendered impacts are likely to be very negative, as women are now much more dependent on income from male partners. Several producers commented that they could no longer afford to employ workers for non-critical tasks. Where they previously “provided work to people on a charity basis”, this practice has been stopped. Apart from the fact that many producers have decreased their number of seasonal workers, they have also shortened the duration of seasonal workers’ contract.

The farm which made the biggest reduction in its seasonal workforce, did so by 30%. Reduction of seasonal staff on other Western Cape fruit farms was smaller. Across case study farms, only three farms – two in the Sunday’s River and one in the Western Cape - had reduced their permanent staff following March 2013. The two SRV farms made small cutbacks to their permanent staff, while the Western Cape farm - a major farm with a regional presence – had retrenched 25% of its permanent workforce in a “voluntary” retrenchment exercise. Fifty per cent of those who had been retrenched were offered seasonal contracts; 10% had retired and another 10% were not offered any work. It is not clear what happened to the remaining 30%. Across case studies, this exercise constituted the most deliberate exercise of casualisation following March 2013. On this particular farm, those who were offered a retrenchment package were also offered R15 000 if they moved out of their on-farm houses. (The emptied houses have subsequently been demolished).

One area where fruit producers can mechanise is in the packhouse. Four of the case study producers in the Western Cape have already or are planning to increase mechanisation in their packhouses. One producer estimated that it would cut his labour bill by 40%. Apart from mechanising pack houses, producers are also installing monitoring systems that will allow pack house operators to measure the productivity of individual workers. Work intensity and job reduction therefore seems to be in the pipeline for packhouse workers, traditionally the domain of female farm workers.

In the Ventersdorp area, all five maize producers have increasingly mechanised since February 2013. They have also phased out non-critical tasks previously performed by seasonal workers. Two case study farms have reduced their seasonal by about a half and a third phased out seasonal workers entirely. However, the seasonal workforces on these farms were very small to begin with.⁹⁶ The three Bothaville maize producers now use one fewer worker per farm less than in 2012.

In Eston two of the five case study farms have begun to mechanise. One stakeholder estimated that increased mechanisation would reduce employment on sugarcane farms in the region by at least 10% in the medium-term. Some farms have already changed their row spacing in replanted fields in anticipation of potential future mechanisation. Importantly, stakeholders noted that because the trend towards mechanisation and labour substitution in the region has been subtle, so far workers have not been opposing the trend.

In industries where mechanisation is either not possible, or hugely expensive, producers are increasingly turning towards so-called labour-augmenting practices to cut their labour costs after March 2013. In SRV for instance, two of the five case study farms have made small cutbacks in their

⁹⁵ See Health-E News, 24 September 2014, “New generation falls victim to “dop” system”. Available online at <http://www.health-e.org.za/2014/09/24/new-generation-falls-victim-dop-system/>

⁹⁶ Seasonal workers whose services have not been renewed were mostly women that walked behind the mechanical combine harvesters and picked up cobs that were missed by the harvester.

permanent staff by introducing mechanised spray operations and motorbikes for irrigation attendants. In the Eston area, replacing manual hoeing with chemical spraying has reduced labour requirements for this activity by 80%. In the Western Cape, producers are now using automated fertilizer dispensers and compost distributors, mechanised pre-cutters for cutting vines and mechanised onion harvesting machines in the case of mixed farming operations (The latter has enabled one producer to cut labour costs on his onion production by 30%).

The uptake of electric pruning shears has also been significant. According to a supplier, its sales of electric shears have increased by 15-17% between 2009 and 2013. Electric pruning allows a worker to prune table grape vines twice as fast, wine vines three times as fast and fruit trees between four and five times as fast as a worker with a conventional shear. According to the supplier, although union organisers initially resisted the introduction of such shears, they have now changed their stance because the shears lead to a lower incidence of carpal tunnel syndrome, often developed by pruners.⁹⁷

Table 2.19: Growth in the electronic shears sales from 2010 to 2013.⁹⁸

2010	2011	2012	2013
158%	132%	36%	2022%

Source (Felco Tools Africa)

While mechanisation has not increased extensively on the case study farms post-March 2013, the use of labour-augmenting practices is likely to have an increasing though possibly more subtle impact on future workforce sizes. Moreover, if the Rand strengthens and imported machinery becomes more affordable, mechanisation is likely to increase in the wine, grain and sugar cane industries. This will have a significant impact on employment in the sector.

Changes in work conditions

Shorter contracts, shorter hours.

A second strategy commonly adopted by producers to cut labour costs has been to reduce the number of hours worked per day. This trend has also been confirmed by trade unionists.⁹⁹ While reducing working hours was less common on the Western Cape case study farms (only four out of fourteen case study farm did so), the strategy was popular in other case studies. In SRV, the norm is now to work only 6 to 7 hours per day. Also in Nkomazi and Levubu, the majority of producers (six out of ten) have reduced working hours. Two (smaller) farms have reduced hours to as little as 5.5 hours per day. On the sugar cane farms of KwaZulu-Natal working hours have always averaged about 42 hours a week (six days at seven hours per day). Yet where producers used to pay their staff for 45 hours, even when they had worked for only 42 hours, this practice has now stopped. Severe drought in the region that has adversely affected yields has further reduced hours: on some farms workers worked only 37 hours per week.

⁹⁷ E-mail correspondence with Gys Liebenberg, Director, Felco Tools Africa, 14 November 2014

⁹⁸ Ibid.

⁹⁹ Interview with Margaret Geyer, Johannes Rossouw, BAWUSA, Robertson, 20 June 2014; Peter Visser, Assistant General Secretary, BAWUSA, Pretoria, 6 September 2014

While SD13 allows for the minimum wage to be paid at an hourly rate, changing workers' terms and conditions of work in mid-contract, constitutes a unilateral change if such a change has not been agreed to by workers. This is considered an unfair labour practice and the LRA gives workers the right to strike, to compel an employer to restore altered terms and conditions so made. If the change in employment is however made during the off-season, a strike has little effect as activities on the farm are usually less critical. Yet, even if such a strike happens at the height of the season, it often serves at best as a temporary postponement of the inevitable.

In any case, it is quite easy for employers to change seasonal workers' terms and conditions of services, without being accused of acting unilaterally. As seasonal workers are often employed per production action, it has been an ongoing practice to enter a new contract with them at the start of each action. An employer merely needs to offer a new contract of employment to seasonal workers at the beginning of such a new action, that clearly states the new terms and conditions of work. Seasonal workers are then free to accept or decline these. If they accept, then it cannot be said that the producer had acted unilaterally. This is apparently what happened once the harvesting season had ended in March 2013. At the start of the pruning season, in April/May 2013, workers who entered new pruning contracts were simply given a revised contract. However, when seasonal contracts roll seamlessly into each other, as has been described earlier, this practice is potentially problematic.

Changing the terms and conditions of permanent workers is more difficult, as they are already bound by a contract that can only be changed with consultation. Several trade unionists alleged that producers had made unilateral changes to permanent workers' terms and conditions of work and took them to the CCMA following March 2012. Although the researchers approached the CCMA to ascertain the extent of this practice, the information provided did not allow for the desired analysis.

An inspection of contracts on case study farms in the Western Cape revealed that the majority of contracts did make provision for workers being paid on an hourly basis and that contracts also contained the "no work, no pay clause", even in the case of permanent workers' contracts. In the Eston case study, where working hours were shortened extensively, all five producers reported holding meetings with workers or representatives of their workers to discuss the impact of the new minimum wage on their businesses, and further claimed that their strategy to cope with the increased minimum wage was agreed to by their staff. This claim was however not supported by all workers.

In certain circumstances, the LRA sanctions unilateral changes by employers to contracts of service if there are sound commercial reasons for doing so, and if the employer has negotiated the matter in good faith with the employees concerned. On the advice of their labour consultants, this clause was widely used by employers to make changes to working conditions post March 2013. Producers started dismissal procedures based on operational requirements following March 2013. By claiming that they had to retrench workers in order to absorb the 52% wage increase, they pushed through changes to workers' terms and conditions of service.

In terms of Section 189 of the LRA, an employer contemplating dismissal of employees based on operational requirements must a.) consult with a union with which it has entered a collective agreement; or, b.) if no such an agreement is in place, with a registered trade union; or c.) in the

absence of either a) and b), with employees likely to be affected by the proposed dismissals or their representatives nominated for that purpose. In the situation where workers are not unionised – as is mostly the case on most farms – producers therefore only had an obligation to consult only with “employees likely to be affected,” or even with “their representatives nominated for that purpose”. The latter requirement has easily been met.

Moreover Section 189(2) of the LRA states that the employer and other consulting parties must engage in a “meaningful joint consensus-seeking process” and attempt to reach consensus on appropriate measures to, inter alia, avoid dismissals. The clause “attempt to reach consensus” is however fairly open-ended and it is a matter of interpretation as to what would constitute sufficient consultation. Based on the fact that producers have suggested alternatives to dismissal - such as shorter hours, deductions for housing, and the withdrawal of some benefits in order to cut costs - these could be considered as genuine attempts to avoid job losses. But another reading of the exercise can be construed as a sham to drive through unilateral changes. To avoid the latter, Section 187 (1)(c) of the LRA renders automatically unfair, the dismissal of employees, aimed at compelling such employees to accept the demand. Workers and their representatives could possibly have used this clause to allege that dismissal procedure on operational grounds was used to force them to accept changes to the terms and conditions of work. However, no evidence could be found that this measure was followed.

Targets

A third common strategy introduced by employers post March 2013 has been to increase productivity by making more use of work targets and piece work. While piece work has always been an integral part of farm work, both the incidence of piece work and targets have increased post March 2013. This has not only led to work intensification, but also transfers more risk onto workers who might struggle to reach targets on rainy days.

Due to work intensification, Hartwigsen (2014) found that in the Bothaville and Ventersdorp areas, the average hectare cultivated per worker increased by 7% in 2013. During this case study, employers reported that they were monitoring more accurately whether workers were meeting individual targets. Individual performance records are used to decide whether a worker will be rehired for the next season, and should also be used in the case of potential retrenchment exercises in future. Several producers have also introduced clock card systems to time more meticulously, hours worked, including how much time was spent on breaks. A spokesman of the NGO Women on Farms reported that some workers were even required to clock out if they went to the toilet.¹⁰⁰

New deductions

A fourth strategy that producers have adopted to cut costs post March 2013 has been to start deducting money from workers’ wages for services previously provided for free. As mentioned before, in the past producers had provided a range of services to workers living on-farm to compensate for the fact that workers lived far from the nearest town. The extensive benefits enjoyed by farm workers have already been discussed previously. However, some of the benefits have not been withdrawn post March 2013. A labour consultant interviewed estimated that 90% of his clients were now deducting money from workers’ wages for a range of services. However, as

¹⁰⁰ Interview with Colette Solomon, Deputy Director of Women on Farms & Carmen Louw, also of Women on Farms, Stellenbosch, 28 August 2014

SD13 allows employers to deduct only for very specific services provided, producers could not deduct money for most of these services previously rendered. Those who could no longer afford to provide these services for free simply stopped them. Mostly commonly withdrawn benefits included no longer providing interest-free cash loans to workers; no longer loaning them money to go to the doctor, a benefit that previously used to be common on Western Cape farms; and no longer providing free transport to social events.

SD13 however does allow employers to deduct money for housing, electricity and food, under certain conditions. On the Western Cape case study farms, most producers however still provided free housing (11/14) and more than half (8/14) still provided free electricity. On other case study farms, the situation was more varied. On the rest of the case study farms, about half of producers charged rent and most either deducted money for electricity or had installed pre-paid meters in on-farm worker houses. Significantly, four worker representatives in the Western Cape commented that the majority of workers were worse off post March 2013 due to new deductions for services and the cancellation of benefits.¹⁰¹ In other case studies, key stakeholders indicated that statutory deductions were already being implemented when the minimum wages were first introduced in 2003. However, a study conducted in the North West Province among 33 grain-producing farms found that the trend to deduct for services had increased in the area since March 2013. Hartwigsen (2014) found that average monthly wages in the maize sector changed only by about 25.84% post March 2013 (instead of 52%) due to the fact that producers could make deductions from workers' wages for a range of services.

Not surprisingly, this strategy has not gone down well with workers or their representatives. Commented Collete Solomon, Deputy Director of Women on Farms Project in Stellenbosch: "After the strike I was really disappointed with the backlash from producers [by deducting for services from workers' wages]. It showed us how cynical they were. Behind the scenes they were devious and underhand: they tried to get around the law and cheat the poor farm workers out of their R150. So the hope that we will sit around the table with them and negotiate has been seriously undermined. AgriWes Cape keeps telling us 'show us the bad apples'; but there is actually a critical mass of bad apples. The fact that they cannot get their members to toe the line makes me dubious about their ability and motive to change the fortune of farm workers."

Section 2.8: Monitoring of working conditions

Department of labour

Labour inspections

Across case studies, all farms have been inspected by the Department of Labour, except for three Ventersdorp case studies where producers claimed they had never been inspected. Most farms were inspected in the year prior to this research. Some of the larger, labour-intensive farms claimed they were inspected as often as once a month, while a small producer in the De Doorns area was last visited in 2010. In the Bothaville area one farm was last visited in 2006 after an industrial accident,

¹⁰¹ Interview with Margaret Geyer and Johannes Rossouw, BAWUSA, Robertson, 20 June 2014

while another had been visited three times in a period of 11 years. It therefore seemed that the Department of Labour focused its inspections in areas of higher worker concentration. An experienced DoL inspector in the Levubu area said that in his area gross violations of farm worker rights were mostly a thing of the past on commercial farms. He argued that workers knew they could report any violations to the DoL and employers knew that they would be regularly inspected and there would be follow-ups on complaints received. His department carried out once-yearly proactive (planned) inspections of all workplaces and ongoing reactive inspections in response to complaints from workers. Surprise 'Blitz' inspections were also jointly carried out in the area by the Department of Home Affairs and the Police.

In the Eston Case study area, two of the case study producers were of the opinion that the DoL was more concerned with completing a minimum number of inspections than monitoring compliance. Consequently, they contended that inspectors tend to under-survey "problem" regions/farms and over-survey generally compliant regions/farms. For example, they alleged that inspectors turned a blind eye to the employment of foreigners without work permits. Another producer claimed that he was not censured by the DoL for paying wage rates below the minimum wage. It was also claimed that foreign workers and producers paid bribes to officials to secure work permits. The Department of Home Affairs denied knowledge of such bribery and insisted on proof.¹⁰²

In most areas, the majority of producers did not attach high value to the inspections by the Department of Labour. Interestingly, a Free State producer frequently inspected by the Department, found the inspections very useful.

Ethical audits

In export-focussed commodities, such as the fruit and wine sector, ensuring continued market access to international markets, but also protecting the reputation of an industry is essential. To this end four commodity organisations representing various South African fruit sectors, the Citrus Growers' Association (CGA), Hortgro (deciduous fruit), the South African Table Grape Industry (SATI) and the South African Sub-tropical Growers' Association, have formed Fruit South Africa. Together, these organisations represent approximately 5000 producers and 400 000 employees. Fruit SA provides a platform for collective lobbying and action on issues affecting all four commodity organisations. The international reputation of its constituents is of particular concern to Fruit SA and it has therefore increasingly begun to play an active role in promoting ethical trade among its members. Fruit SA drove the creation of the Sustainability Initiative of South Africa (SIZA), a body that promotes ethical trade on South African fruit farms, which has also developed a home-grown ethical code for the industry. In 2012, the SIZA code was subjected to the Global Social Compliance Programme Equivalence Process, an international benchmarking process that allows for the recognition of the SIZA standard and audit methodology among international and local retailers. SIZA-audit results are automatically uploaded on SEDEX, which means that results of individual farms are available to UK and EU retailers registered with SEDEX. The results of these audits are therefore extremely important, as they can potentially vet a producer out of a supply system – a consequence much more grave than a fine from the Department of Labour for not complying with labour legislation.

¹⁰² Interview with Jack Monedi, Chief Director responsible for permits, Department of Home Affairs, 28 November 2014.

The wine industry's equivalent to SIZA is WIETA. This multi-stakeholder body, which consists of both industry and labour representatives, was launched in 2002 and was the first to develop a South African ethical code for agricultural producers. It however focused on the wine industry. WIETA has tended to use its own auditors to measure compliance on members' farms, while SIZA uses third party auditors to check conditions on farms against its code.

On the case study farms in the Western Cape and Sunday's River Valley, most farms have undergone an ethical trade audit. In the Western Cape, only three farms have never undergone such an audit, but one of these was due to have its first audit within a month of the researcher's visit. In the Bothaville area, only the floriculture producer has undergone a social audit. In stark contrast, none of the maize or sugar cane producers in the case study have ever undergone an ethical audit.

The South African Sugar Association (SASA) has introduced the Sustainable Sugarcane Farm Management System (SusFarMS) programme. SusFarMS is based on three pillars of business sustainability: economic, social, and environmental. In a recent (2014) development, the sugar miller in the region, Illovo Sugar, now requires all sugarcane growers who deliver cane to the Eston mill to participate in SuSFarMS. However SusFarMS is at best an internal audit. In general, the system is based on voluntary compliance and self-auditing. Cane producers and maize producers are therefore under much less scrutiny than fruit and wine exporters who are subject to a plethora of private standards and compliance audits.

It was interesting that, in spite of fierce resistance by the fruit farmers to ethical audits when these were first enforced in about 2005, of the Western Cape producers - which are now regularly exposed to ethical audits - most producers attached more importance to ethical audits than to inspections by the Department of Labour. Their motivation was that a private audit carried more weight in the marketplace; that a bad audit could affect the farm's image to the outside world and potentially close their access to lucrative markets. Just how powerful such external scrutiny is, can be seen from producers' reactions to international buyer pressure following the De Doorns 2012 strike. Scandinavia is the third largest and most profitable destination of South African wine. Following the De Doorns 2012 strike, System Bolaget, Sweden's powerful government-controlled liquor monopoly, put a partial "hold" on South African wine sales, which had the potential to maim the industry. It announced its intention to make WIETA accreditation a criterion when South African suppliers apply for Swedish tenders by 2014. The South African side of this wine value chain jumped to attention. Major South African liquor companies such as KVV, Distell, Origin Wines, Accolade Wines, DGB and Spier informed their supplier chain - primary growers as well as cellars producing bulk wine - to undergo an ethical audit or risk being cut as a supplier. "Producers have been told that if they are not WIETA-accredited by 2014, their wine will not be bought," said Rico Basson of Vinpro. Kurt Moore, the CEO of South African Liquor Brand Owners Association (SALBA), confirmed that all its members now required their suppliers to undergo a social audit. This has led to a surge of audits across the industry. While about 20 farms were previously audited per month, the number has now risen to 100 farms per month. According to a press release of Wines of South Africa (WOSA), by July 2013 there were 575 wine producers who had signed up with WIETA - more than double the number registered in the previous year (Visser, upcoming). Given the bottleneck of audits faced by the industry, it has been given some grace by buyers. However, the power of international scrutiny is clear.

Section 2.9: Housing

The move off-farm

In the majority of case studies (Western Cape, Levubu, Nkomazi, Bothaville and Ventersdorp) producers made use of off-farm labour, especially where seasonal labour was concerned. Only in SRV did producers still accommodate the majority of their seasonal workers on-farm: here four of the five case study producers accommodated all their migrant workers on-farm, and the fifth accommodated 70% of migrant workers on-farm.

While almost all off-farm seasonal workers in Levubu and Nkomazi lived in neighbouring TCAs, in the rest of the case studies they mostly lived in local townships or informal settlements. The consequences of this will be discussed later on. In general, across case studies, producers who preferred that workers live off-farm, tended to be located relatively close to TCAs or local towns. Increased distance from the farm to these areas was strongly correlated with on-farm living. For instance, all four Western Cape farms which still accommodated migrant workers on-farm were located more than 40 km away from the nearest town.

Because most seasonal workers live off-farm, safe transport to work has become increasingly important especially following the deaths of many farm workers while being transported to work in 2007 and 2008.¹⁰³ A minority of producers used buses to transport their workers to and from work, but more often workers were transported in the back of lorries fitted with a steel frame canopy covered with canvas or plastic, with benches inside.¹⁰⁴ However, in some cases workers were also transported on open trucks, without any cover and in two observed cases trucks were dangerously overloaded with people.¹⁰⁵ In SRV, many producers still used tractors and the old flat-bed trailers used for picking fruit. There were a number of complaints from workers about this unsafe, uncomfortable and unprotected form of transport. The Levubu farms were mostly on, or a short distance from bus and taxi routes and as a result none of the employers in that case study provided transport to work, which meant that workers had to pay for transport to get to work. About half of the workers interviewed used public transport (a monthly bus ticket cost one informant R280); the other half said they walked, either to save money or because there was no public transport. Workers estimated that it took between 30 minutes to about an hour to walk to work. Those walking said they usually walked in groups as it was unsafe to walk alone, especially in winter when it was dark before and after work. The FARE report (2012: iii) pointed out that an efficient, safe and integrated public transport system was crucial to the mobility of people (to travel to work, clinics, schools, government services, but also other job opportunities). Yet, it found that some municipalities had failed to take the transport needs of farm workers into account in their integrated transport plans (ITPs).

While seasonal workers have been sourced from off-farm communities for a number of years, a new trend seems to be that in the majority of case studies, *permanent workers* are now being sourced

¹⁰³ See: "FAWU Wants Speedy Investigation Into Mpumalanga Bus Accident", 9 October 2008, FAWU website. Available online at: <http://www.fawu.org.za/show.php?ID=25&categ=Press%20Room>. Also see "Driver detained after horror Boland bus crash", Mail & Guardian online, 10 November 2007. Available online at <http://mg.co.za/tag/cobus-dowry>

¹⁰⁴ Researchers' observations, Stofland, De Doorns.

¹⁰⁵ Researchers' observations, N1, direction Touws River, De Doorns.

from off-farm communities, especially in areas where producers farm with labour intensive crops. In Nkomazi and Levubu, most permanent workers already live off-farm (presumably because of the closeness of TCAs to the farm); in Bothaville and the Sunday's River Valley about 50% of permanent workers live off-farm. Only in the Western Cape, Venterdorp and Eston do the majority of permanent workers still live on-farm, and of these three case studies, only the Western Cape producers farm with labour-intensive crops. The ongoing accommodation of farm workers in the Western Cape is therefore somewhat atypical in the light of what is happening in other labour-intensive case studies. Interestingly, although at this stage a minority, some of case study producers in the Western Cape and Eston have begun to build houses for their farm workers either in local townships (in the case of the Western Cape) or in communal farming areas (Eston).

As mentioned before, the use of off-farm *seasonal* labour does not seem to be a new trend. In the Western Cape case studies only two farms now used more off-farm seasonal workers than they did in 2004. According to key informants interviewed, the change to use off-farm workers in most areas was already triggered with the introduction of ESTA in 1998 (discussed in more detail later). Following the promulgation of that Act, many producers have begun to source workers who live off-farm, as they are reluctant to hire more workers who, by living on-farm, might acquire security of tenure rights. To achieve an increasing off-farm population, producers have resorted to two main strategies. The predominant strategy has been to a.) replace permanent positions with seasonal positions and b.) to fill such seasonal positions with off-farm workers. From a producer's perspective, this strategy has simultaneously removed the burden of having to provide on-farm housing, as well as having to grant workers security of tenure rights, as they no longer live on-farm. Hence, it seems that one of the unforeseen consequences of ESTA has been to contribute to the increasing casualisation of farm work.

A second strategy that has been used to obtain an increasingly large off-farm workforce has been to reduce the number of permanent workers living on-farm through a process of attrition, and also by assisting them (especially as they approach retirement) to obtain RDP houses in nearby townships. While the latter strategy may be driven partly by altruistic reasons, in this case too, a key motivation has been to prevent retiring workers from acquiring security of tenure rights in perpetuity. During this research some producers complained that their houses were currently filling up with older people and their families, thus reducing the number of houses available to new, younger workers. Producers said they could not afford to build new houses for workers who replaced pensioners.

Some say that it was these considerations that motivated Bothaville producers to lobby for the establishment of an off-farm housing development outside Bothaville in 1998. Producers' efforts resulted in Naledi, a thousand-unit housing development, constructed on a site allocated by the local Bothaville (now Nala) Municipality, using funding from the Department of Land Affairs and the then Department of Housing.¹⁰⁶ Others say the Naledi development aimed to locate workers closer to

¹⁰⁶ Goldfields District Council also contributed R1,05 million to provide a water supply system and ESKOM provided more than R1 million for electrification. Key role-players involved in the project included the Free State Department of Land Affairs; the Department of Local Government and Housing; producers of the Bothaville Community Development Association; the Bothaville Transitional Local Council; and participating farm workers (including the Bothaville farm workers' committee). Interestingly at the time the project was undertaken, there were no [housing] policy guidelines on farm-worker housing (Government of South Africa, 1998: 1¹⁰⁶). Although the Department of Local Government and Housing considers the project to be an agri-

services. Whatever may have been the case, developments such as these have been few and far between in the interim.

Farm dwellers

Not surprisingly, a vexed issue for most producers was that of farm dwellers, i.e. people who lived on the farm, but did not work on the farm. Two common complaints raised by producers against farm dwellers were that they caused an overcrowding of houses and consequently put a lot of stress on existing infrastructure, especially on sewerage systems. In the De Doorns area producers negotiated with the local municipality to get at least one free extraction a month; in other areas producers had to bear this cost themselves, at a price of R10 000 per pump. Producers' other main criticism of farm dwellers was that they were often involved in drug smuggling, drinking, vandalism and criminal activities.

All but two farms visited in the Western Cape had farm dwellers living on the farm. Yet, most of these people were pensioners and also immediate family members of the head of the household, who often worked on the farm. Eight of the fourteen farms had 10 or fewer such people staying on the farm, while a further two had fewer than 15 dwellers. Two big farms respectively had 22 and 50 dwellers staying on the farm. However, given the relative size of the workforces of the latter two farms, these dwellers presented a fairly small percentage of the total farm population. Why they should therefore pose such a burden on producers' housing stock and infrastructure was not clear.

In other case study areas, the issue of farm dwellers was less of an issue than in the Western Cape, with some noticeable exceptions. In the most extreme case, 38 out of 50 adults living on one of the case study farms in Ventersdorp did not work on the farm, while a producer in Nkomazi had eleven families occupying his housing without working there. The latter was also concerned about the amount of water being used on vegetable gardens by the farm dwellers. They did not want to move, despite the fact that he had offered to finance the purchase of a stand and building materials for them.

Cost of housing

Even if ESTA were not a factor at all, producers told researchers they were increasingly reluctant to invest in on-farm housing due to the cost thereof, coupled with the fact that they received no state subsidies for housing (at least not without strings attached) or help from municipalities with service delivery and infrastructure provision.

Agri SA estimated that it cost between R220 000 to R280 000 to build a worker's house, given an average farm worker house size of 70 m² and building costs of R4 000 per m².¹⁰⁷ As one of the case study producers explained: "To build a house I have to supply everything including potable water, sewerage and the electrical distribution system to and from the house. I get no municipal service, not even refuse removal. I originally had to pay for the transformer to be installed (R50 000 for a small one) and for the distribution system to each house. I also pay a monthly rental for the electricity meter (R850) over and above the [number of] units used (R1.41 per unit). For sewerage, I

village, the urban nature of housing and the limited use of communal land results in the project functioning more as off-farm urban housing. (Almost fifteen years after its establishment, sewerage infrastructure is still lacking in Naledi even though finances have been provided for this.)

¹⁰⁷ Whether the size of an average farm worker house is indeed 70 m² is not clear. SD13.8(3)(f) states that a worker house must be at least 30 m² if an employer wants to make a deduction for housing.

pay for the installation of the septic tanks and the maintenance thereof. If I need a septic tank pumped, the municipality charges R1 500 per pump. If a septic tank only services a few people, it will last almost indefinitely without needing to be pumped. If the house is too full, then the tank needs to be pumped a couple of times a year. To drill a water hole, it cost me R50 000 and I need to replace the borehole pump every eight years at a cost of R10 000 per pump. Moreover, the distribution system, the maintenance of the system and the electricity to pump the water cost me R25 000 per year. To replace a solar geyser – and I had to replace most of them over the course of the last 10 years – cost me R7 000 per geyser”.

Producers were also dissatisfied that they could not deduct costs related to worker housing and maintenance from tax. But this situation seemed to have changed to some extent. According to Agri SA, until recently producers could only deduct R6 000 per worker for farm worker housing from tax on a once-off basis. Now producers can apply an annual depreciation allowance of 5% on building and renovation costs of farm worker housing. This enables producers to recoup the full costs of farm worker housing - over a period of twenty years. Costs incurred as a result of providing alternative housing provided in terms of ESTA, will be similarly recoupable.¹⁰⁸

Another factor that deters producers from building worker houses is that it increases their property taxes as worker housing is included in property valuation.¹⁰⁹ While they have to pay fairly high property taxes – especially when they have a packhouse on the farm - producers feel they get no municipal services in return. However, some district councils provided a measure of support for on-farm housing, notably those in the Western Cape. For instance, the Ceres case study showed that the Witzenberg District Council grants producers a subsidy of R5 000 per house to build a bathroom for a worker’s house.¹¹⁰ Similarly the West Coast District Council (WCDC) makes available financial resources for electricity and water upgrades for farm worker housing.¹¹¹ Producers can also obtain a 50% subsidy from Eskom if they install solar geysers for their worker houses.¹¹²

Lastly, apart from costs, producers who farm in areas that have been subject to land claims and other forms of weakened tenure security (e.g., tenant producers) are less likely to invest in building and renovating worker housing and consequently, worker living conditions are less favourable on those farms.

Condition of on-farm housing

Houses (as opposed to hostels with shared bathroom and cooking facilities) on farms are mostly reserved for permanent staff, and their numbers have been mostly static in the last ten years. It is difficult to draw general conclusions regarding on-farm worker housing. Not only does it vary from farm to farm, but it also varies within farms. This is particularly true of farms that have expanded and inherited worker accommodation on purchased farmland.

¹⁰⁸ E-mail correspondence from Martina Benade, Agri SA, forwarded by Elize van der Westhuizen, Senior Manager: Labour Relations, Agri SA, 4 December 2014.

¹⁰⁹ Interview with Carl Opperman, Andre Blom, Neil Hamman, Mariette Kotze, Paarl, 25 November 2014.

¹¹⁰ Interview with key producer, Ceres.

¹¹¹ FARE Report.

¹¹² Interview with key producer, Ceres.

At face value it seems that on-farm, individual housing conditions are better on case study farms in the SRV, the Free State farms (where producers only had a few workers staying on farm) and in the Western Cape.

The fact that there are better on-farm conditions in the Western Cape and SRV could possibly be ascribed to the fact that these areas are frequently monitored by ethical trade organisations and are also visited from overseas buyers, who sometimes want to inspect worker housing. Yet, ethical codes do not put a high priority on housing conditions as it is argued that setting the bar too high on housing, would simply disincentivise producers to provide on-farm housing. Presumably for the same reason, the preconditions for allowing a deduction from workers' wages for on-farm housing stipulated by SD13 are very low.¹¹³ In turn, for having to meet relatively low standards, a producer may only deduct 10% from a workers' wage for accommodation – even if the on-farm accommodation is much better than the minima prescribed by SD13.

Key areas for the improvement of on-farm housing across case studies were bathrooms and ablution facilities. Not many workers interviewed had access to flush toilets and families often had to share either bathrooms and/or toilets with neighbours. The sharing of bathrooms is usually highly problematic as a situation of deferred responsibility arises when it came to the cleaning of bathrooms. The result was frequently unhygienic toilet facilities. This was especially the case when many workers had to share ablution blocks. Workers who did not have access to warm water were usually particularly unhappy about their housing circumstances. Other common complaints related to housing were dampness, mouldiness, leaking ceilings or walls (25% of interviewees) and broken doors.

Yet, judging by worker interviews on farm housing - at least in the Western Cape – on-farm accommodation was generally of a higher standard than off-farm housing, as can be seen from Figure 2.25. Of the 25 permanent, on-farm workers interviewed during SSIs in the Western Cape, 68% had a two bed-roomed house, while 16% had a three bed-roomed house. Almost 90% had access to a separate kitchen. The average ratio of permanent workers per on-farm house was 1 to 2 workers per house (on 7 farms) and 2 to 3 workers per house (on 5 farms). It should be noted that this did not include the family members of these workers. On half of the farms visited, permanent on-farm workers were fairly content with their housing, apart from complaining that their houses were too small.

¹¹³ See SD13.8

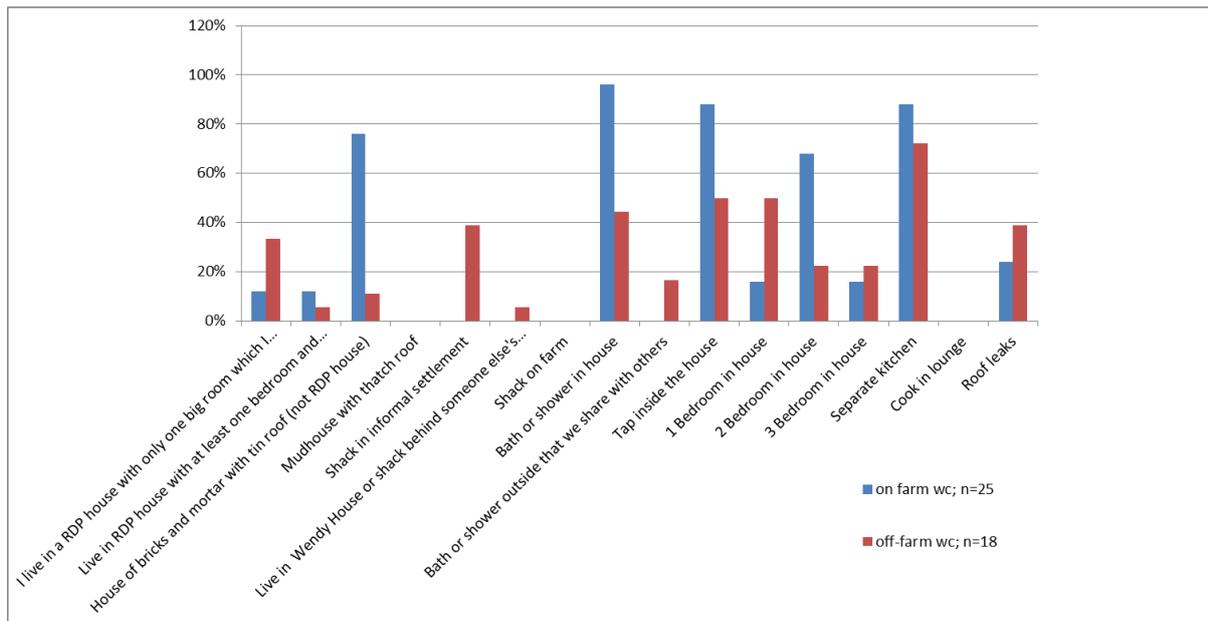


Figure 2.25: Differences in accommodation of permanent on-farm and permanent off-farm workers, Western Cape.

(Source: Information obtained from SII interviews)

Accommodation of migrant workers

Most hostel residents, with the exception of workers on one of the Ceres farms, complained about their lodgings. In SRV some hostel residents said they would prefer to live anywhere except in the hostel, which they said was dirty and poorly maintained. On a farm in Ceres, a worker complained that their accommodation “looks like a horse stable”. “The toilets are very messy, there is no electricity and there is no warm water,” he said. A producer in the Ceres area had converted containers into seasonal worker housing. He had attached ablution facilities to each container. He argued that using containers enabled him to provide smaller, self-contained units that were less crowded than big hostels built on other farms, where more than 20 people often shared a big dormitory. However, his ingenuity was not appreciated by his workers. They complained that their clothes got wet during winter, because the containers were not properly sealed. To improve the state of seasonal accommodation, the ethical trade organisation SIZA, has compiled extensive best practice guidelines on this issues to assist producers.

Rules for hostel residents were often stricter than for permanent workers because they stayed in communal lodgings. For instance, workers complained that visitors – including their partners – were not allowed to stay over. In one case study, a producer fined a worker who had harboured a visitor without permission. Workers were also not allowed to bring alcohol onto the premises and no loud music was allowed.

State support for housing

The main vehicle through which the state provides assistance for on-farm accommodation is the Farm Worker Housing Assistance Programme (FWHAP). This programme provides capital subsidies for the development of engineering services (where no other funding is available) and adequate

houses for farm workers living on-farm. Funding for the programme must be reserved by Provincial Government from their annual housing allocation received from the National Government.

The Department suggests that on-farm housing developments should be reserved for farms that are not labour-intensive, that have few farm residents and where the farm is far away from the nearest town, making the transportation of workers to and from work difficult. Where farms are labour-intensive and fairly close to towns, it suggests that off-farm housing developments should be pursued.

While the FWHAP states that it “is not targeting land occupation or ownership rights”, but instead “targets housing solutions” it does not delink itself from government’s aim to ensure more tenure rights for farm workers. This policy view was also reiterated by an official within the National Department of Human Settlements, who argued that “without giving the farm worker security of tenure, it is not worth upgrading the house”.¹¹⁴

Of the FWHAP’s four programme options that specifically aim to provide/improve farm worker housing, two options depend on producers’ willingness to either subdivide their land or transfer ownership to farm workers. However, the DHS argues that the sub-division and ownership option should be exercised with circumspection, as these two options depend on the ability of the local municipality to provide services to the settlement. FWHAP also argues that it could be problematic if farm workers who have already been granted an on-farm housing subsidy, later want to move off-farm, but by then have already exhausted their options for a housing grant.

The remaining two options outlined under the FWHAP, which allow a farm owner or a “housing institution” to develop on-farm housing, aim to increase the tenure security of farm workers. For instance, in terms of the option giving farm owners the opportunity to create a housing development, they are required to enter a written and legally binding agreement with the MEC to safeguard the tenure security of farm residents. Moreover, the exit arrangements for the project are onerous: it requires the registration of a pre-emptive right against the title deed of the farm to safeguard the state’s investment in the housing development. Once again, whether such housing developments by the land owner are granted, would depend on the local municipality’s willingness to provide services to the farm. To this end farm owners must submit a project funding application to the municipality. The latter must then first assess the feasibility of the application and make recommendations to the MEC, who ultimately approves or rejects the application.

In the case where a housing institution undertakes the on-farm housing development, the housing institution must acquire long-term secure tenure rights over the relevant land. This arrangement also presupposes some monitoring capacity by the state as the housing institution “must annually confirm to the MEC the details of all the persons renting units in the housing stock”. Probably the biggest drawback of this option is the fact that it is up to the housing institution to maintain the housing stock “on a regular and continuous basis from its own resource”. Importantly, the programme also does not provide funding for the accommodation of seasonal workers. Producers

¹¹⁴ Interview with Nonhlanhla Buthelezi Chief Director: Operational Policy Frameworks, Department of Human Human Settlements, Pretoria, 27 November 2014.

must finance such accommodation from their own resources. Seasonal workers are advised to apply for a Breaking New Ground subsidy available under the National Housing Programmes.¹¹⁵

Unsurprisingly, Agri SA has not embraced the FWHAP. It argues that the programme “does not really” address the need for incentives or subsidies to upgrade on-farm housing, where the farm owner is not prepared to give registered rights to occupiers. “Many producers are keen to improve farm worker housing on their land, but will not do so if required to give registered rights to the land. Producers will not participate in schemes which are difficult to manage or which will limit their property rights,” they conclude.¹¹⁶ According to Agri SA, most producers today are in favour of off-farm housing that gives farm workers property rights. It argues that housing should be acquired by means of state grants, and that the provision of such housing is primarily the responsibility of the state, and more specifically, that of local authorities (ibid).

As a result of these entrenched positions – where Government is not prepared to fund any development unless it provides at least the same (but preferably more) security than that offered under ESTA; and where most producers argue that extended security rights of farm workers infringe on their property rights - housing provision to on-farm workers is not only in a stalemate situation, but in state of backward slide.

Demolition of workers’ houses

According to the FARE report (2013: 42), since the introduction of ESTA, employers in the Western Cape have refrained from building additional housing on farms. Many houses were demolished or upgraded for rental holiday accommodation and where there are still houses provided on farms, many owners have long abandoned those houses. This has resulted in some housing stock on farms deteriorating to the point of partial collapse. In the light of this claim, this study tried to ascertain to what extent there has been a reduction in housing stock and whether producers were pro-actively demolishing houses. It is possible that the bulk of the destruction has already happened, but during the course of interviews, the destruction of housing was not found to be a major trend. Across case studies, of the 48 producers interviewed, only 13 had destroyed housing on their farm. However, in eight of these cases houses were destroyed because they were structurally unsound and standing empty. On five farms though, producers immediately destroyed houses once they became vacant. The most extreme example of the latter was a major producer in the Western Cape who destroyed 60 worker houses after the increase of the minimum wage in March 2013. His actions went hand-in-hand with a retrenchment exercise that involved workers moving off-farm. His reason for doing so was unambiguous: to prevent people from moving back onto the property and obtaining tenure rights.

Workers’ preference: on-farm or off-farm

An interesting finding across the case study was that most workers wanted to stay where they were, regardless of whether they lived on-farm or off-farm. The exception was migrant workers who lived in hostels. Asked whether they preferred to stay on the farm, or move elsewhere, more than three

¹¹⁵ The Breaking New Ground (BNG) grant replaced the SLAG-grant for housing. The value of the BNG grant is considerably higher than SLAG: BNG is valued at R160 000 (including services) whereas SLAG was valued at R16 000. The grant was increased as the DHS revised “improved its product of a house” from 16m² to 40m². (Interview with Mrs N. Buthelezi, DHS).

¹¹⁶ Agri SA comments on National Housing Programme for Farmworkers. Elize van der Westhuizen, Senior Manager: Labour Relations, Agri SA, 4 December 2014.

quarters of permanent on-farm workers wanted to remain on the farm.¹¹⁷ This implies that regardless of their complaints, on-farm workers in this sample attached significant value to their housing. The remaining quarter wanted to move to town because they would be closer to medical services and schools; they would not have to consult anybody if they wanted to modify their housing; and because they thought it would be cheaper to stay in town because no deductions would be made from their wages for housing or crèche services.

A downside of staying on the farm acknowledged by many farm workers were the housing rules imposed by farm owners. Probably the most disliked management rule was that of charging rent to parents whose grown-up children lived on the farm, but did not work there. This practice was found on four case study farms. Chapter 3.6.2(d) of ESTA states that “an occupier shall have the right: (d) to family life in accordance with the culture of that family”. It could therefore be argued that the deduction of such rent was in contravention with workers’ right to a family life.

Another rule which used to be common on farms was the requirement that female spouses of male workers had to work on the farm. During ethical trade audits it has however been pointed out to producers that this practice amounts to forced labour. During this research it was found that although it was still “preferred” on most farms that the spouses of permanent workers should work on the farm, the majority of permanent workers interviewed said no adult women in their household worked on the farm.

Other housing rules disliked were those that impacted on workers’ social lives. Workers usually first had to ask for permission before they could entertain guests on-site and in some cases they had to get a permit from management to do so. On one farm workers claimed that they could lose their house if their visitors fought with fellow residents. Chapter 3.6.2(b) of ESTA allowed farm owners to set “reasonable conditions” linked to farm workers’ visitors and that they could be held liable for “...conduct of any of his or her visitors causing damage to others while such a visitor is on the land...” However, threatening to evict a worker because of the actions of his visitor seems unfair. This claim was however not checked with the farm owner or fellow workers and needs to be treated with circumspection. Locking of entry gates after certain hours on weekends also irked workers, as not only did visitors struggle to gain access to the farm, but it also curtailed the movements of residents.

When off-farm permanent workers were asked where they would prefer to stay, 88% said they wanted to remain in town. The rest wanted a house on the farm if they could have one.¹¹⁸ Likewise, the majority of seasonal workers who stayed off-farm, wanted to stay in town. The main reasons why workers who stayed off-farm wanted to stay in town, was that it was much more convenient to be closer to services and shops and schools. Independent of the actions of producers, workers have also been moving off-farm of their own accord. For instance, in SRV several key stakeholders, including workers and NGO staff were of the opinion that the proximity of farms to urban areas had resulted in a voluntary movement of local workers off-farm. More than 50% of permanent workers in the SRV case study already lived off-farm. The main drivers of this movement have apparently been workers’ desire to take up ownership of RDP houses in townships, but also to be closer to services. The local townships around Addo and Kirkwood have expanded considerably in recent

¹¹⁷ Altogether 26 on-farm permanent workers were asked this question during SSIs.

¹¹⁸ 15 of the 18 off-farm permanent workers were asked this question. The other three were not asked the question due to the fieldworker running out of time for the interview.

years. Altogether 843 housing units have been constructed since 2008 and a further 2959 are under construction. The growth of off-farm settlements in rural towns is discussed more extensively later on in this report.

Section 2.10: Evictions from case study farms

During the course of this research, several reports appeared in the media claiming that farm evictions were on the increase following the increase of the minimum wage in March 2013. It was alleged that such evictions were especially rife in the Western Cape. The extent to which evictions were increasing in other case studies is discussed first; the majority of the section then focuses on the alleged increase in evictions in the Western Cape.

In our study neither producers nor workers and their organisations reported a high incidence of evictions in case studies outside the Western Cape. Only three producers outside the Western Cape said they had ever evicted a worker and they claimed that these evictions were effected after they obtained a court order. Only workers interviewed outside the Western Cape were aware of an eviction. The few evictions outside the Western Cape could possibly be ascribed to two factors. First, according to some key stakeholders, the main wave of evictions outside the Western Cape happened, following the introduction of the sectoral minimum wage in 2003. This would explain the high eviction statistics mentioned in the 2005 Nkuzi report. Secondly, the lack of reporting of evictions by both producers and farmers could also be ascribed to both parties' ignorance about the requirements of ESTA. For instance, producers in the Eston case study typically did not consider an eviction to include cases where a worker was required to vacate his on-farm accommodation if the worker was dismissed or resigned. Given the low level of literacy of most farm workers and their limited knowledge of their ESTA rights, farm workers are often also unaware that an eviction may be illegal. Hall (2003) points out that those facing eviction often view Section 9(2)(d) – which alerts the person being evicted of the land owners' *intention* to apply to court for an eviction order - as an eviction order and promptly move out of their house. This claim was also repeated by a paralegal interviewed during the course of this research.

During the course of fieldwork in the Western Cape, workers on five case study farms reported that some of their co-workers had been evicted at some point. It was not clear exactly when these evictions had happened. Worker explanations for these evictions included the following: one worker committed arson; two workers challenged the authority of a manager; another was fired; and, on a farm where workers provided conflicting information on whether a worker had been evicted or not, it was alleged that the worker was put on disability leave following a heart operation.

Of the producers interviewed in the Western Cape, eight of the fourteen producers said they had evicted a farm worker or farm dweller from their property in the past. Like those producers who had evicted workers in other case studies, Western Cape producers also claimed these were legal evictions sanctioned by court. According to their reports, eviction orders were obtained in the following circumstances:

- three producers evicted a worker because s/he was fired

- one evicted a worker after he had resigned.
- four evicted workers who were engaged in criminal activities. These involved a worker who attacked her ex-husband with a pair of scissors; another who attacked the HR manager with a pick axe handle; a worker who committed break-ins and another who stole electricity; and workers who smuggled drugs and abused their fellow workers.

Evicted workers assisted by the Witzenberg Rural Development Centre (WRDC) were also interviewed. Of the seven evictions discussed with the researchers, two involved cases of workers who had become incapacitated or partially incapacitated while working on a farm (In both these cases, injuries were reported to the Compensation Commission, but so far neither worker had received any compensation). Two more cases involved alleged incapacity due to illness: one worker was booked off permanently due to illness; another was declared fit for work after TB treatment, but was fired upon her return. In another incident, a woman was not taken back after her pregnancy. The latter would constitute an automatically unfair dismissal if this happened within the tenure of her contract. In all of these cases, the workers and/or their families had lived on a farm for more than ten years, and in two cases, for more than twenty years.

Given a lack of information available to the researchers on these evictions (both those discovered during farm visits as well during a visit to the WRDC) it was not possible to establish whether these evictions were legal or illegal. What was evident though was that accounts of the apparently same eviction often differed radically and that it was important to get all the facts on the table before making a judgement. For instance, in one instance the researchers were told a heartbreaking story of a worker with a sick child who received a Section 9.2 (d) notice on Christmas day. But according to that worker's employer and colleagues, he had driven over sheep and then sold their carcasses, leading to his subsequent dismissal and eviction. Another pattern that emerged from these accounts was that certain workers were more likely to be evicted than others. These involved the sickly; those who tended to resist authority, and those who were fired. The latter makes it critical that the CCMA should have more oversight in the dismissal of on-farm workers, as they also stand to lose their housing in the process.

Because of recent media reports of increased evictions in the Western Cape, this issue was investigated by researchers, beyond the parameters of given case studies, within the scope of limited resources. Over the course of several interviews with key stakeholders, three allegations cropped up consistently. NGO workers, municipal officers and also trade union officials claimed that foreign land owners often evicted workers without a court order when they changed the focus of the farm business from agriculture to tourism. However, given the small number of foreign land owners in the country, such owners could not be the cause of the majority of evictions.¹¹⁹ Secondly, the claim was made that constructive dismissals were on the rise. These involved incidents where the accommodation conditions of farm residents were made so unbearable, that they left of their own accord. For instance, in one case raw sewage was left to spill out on the ground surrounding a pensioner's house. More often though, farm residents' supply to water and electricity was simply

¹¹⁹ Only about 3% of all property in South Africa is foreign-owned and, at best, 2% of all annual purchases are done by foreigners, according to Samuel Seeff, chair of Seeff. See "Confusion over ban on foreign land ownership", Media 14. See: <http://www.fin24.com/Economy/Confusion-over-ban-on-foreign-land-ownership-20150213>

cut. The third and most persistent claim, was that producers were “bribing” farm workers to leave their land. It was claimed that producers, without obtaining a court order, were paying workers anything from R5000 to R20 000 to leave their property. A human rights attorney claimed that in one specific area of the Boland, producers were even paying a consultant to get people off their land: the consultant was allegedly paid R10 000 for each person s/he convinced to move, while the evicted worker received only R3 000 once he/she had left the land.

But some producers argued that this practice did not constitute an eviction as ESTA defined the term “evict” as “to deprive a person against his or her will of residence on land or the use of land or access to water which is linked to a right of residence in terms of this Act”.¹²⁰ They contend that workers who are offered money to voluntarily move out of their houses have not been evicted, because the action was not “against their will”. However an official of the office of the DRDLA made it clear that this type action constituted an illegal eviction.¹²¹

Agri SA partially sanctions such action on the condition that the occupier willingly enters an agreement and is fully aware of his/her rights. A spokesperson for the organisation pointed out that not all occupiers wish to remain on farm land and that ESTA allows occupiers to voluntarily waive their rights to tenure security on condition that they are fully aware of their rights. The money a producer offers a person to leave their land is offered to enable that person to acquire alternative accommodation. However, the organisation warns that if occupiers entered such an agreement but were not fully aware of their rights, then the agreement could be declared null and void. In such a case the occupant would be allowed to move back into his/her house.¹²²

Of course, this begs the question as to the meaning of “fully aware of their rights”. Given the circumstances in which this type of offer is usually made - against the background of an inherent power asymmetry between landowners and their workers; where farm workers often have very little education – it is debatable if such “agreements” can ever amount to informed consent in the absence of independent legal advice being given to the occupier.

It seems that the practice of paying workers to leave the land was driven partially by the costs and time it took to obtain an eviction order. Producers complained that it could take up to two years to get an order and that it cost between R30 000 and R60 000 in legal fees.

Getting stats on evictions

Due to the fact that illegal evictions by their very nature happen under the radar, getting any reliable statistics on the frequency of this type of eviction is notoriously difficult. In 2003 Hall reported that “[u]ntil recently, the SAPS computer-based information management system did not recognise illegal farm evictions as a crime and so police stations could not accept charges laid by evicted occupiers (Hall, 2003: 11). While it was a huge challenge to get reliable statistics on illegal evictions, obtaining information on legal evictions was not much easier. During the course of the interviews, municipalities seldom had records of evictions available at their fingertips. More often than not a

¹²⁰ ESTA, Act 62 of 1997. 1.(1)(vi).

¹²¹ Vuyiswa Nxasana, Chief Director: Tenure Systems Reform, Department of Rural Development and Land Reform, Pretoria, 26 November 2014.

¹²² Email correspondence with Elize van der Westhuizen, Senior Manager: Labour Relations, Agri SA, 4 December 2014.

special search – viewed a special concession to the researchers that was made somewhat reluctantly – had to be done before the statistics were made available. The Land Claims Court is supposed to be the main source of information on legal evictions, but in spite of numerous requests to an officer of that court, no information on evictions was received by the researchers.¹²³

Where statistics were made available by different levels of government, the information provided was often conflicting, making it very difficult to get a real sense of the problem. See Annexure 3 attached to this report.

The DRDLR acknowledge that one of their biggest challenges is obtaining reliable statistics on eviction. The lack of reliable statistics on evictions is problematic, given that municipalities are supposed to use this data not only for planning, but also to apply for funding for emergency housing. While the lack of information about evictions is a pressing matter, more pressing seems to be the lack of a coherent response by the state in the case of actual and threatened eviction. It is useful to revisit ESTA to see what procedures the Act prescribes and which actors it holds responsible for the execution of these procedures.

What the act says

The main aim of the Extension of Security and Tenure Act is to give effect to Section 26 of the Constitution in rural areas. Section 26 states that everyone has the right to have access to adequate housing. Government must take reasonable steps within its available resources to provide people with housing and access to land. Another key intention of ESTA is to protect occupiers from unfair or arbitrary eviction. To this end, it stipulates that an occupier may only be evicted in terms of a court order.

The Act seemingly gives different levels of protection to different types of occupiers, depending on a range of factors. These include the length of time occupiers have lived on the farm; how long they have worked on the farm; their relative vulnerability; and whether the grounds for their occupancy is exclusively tied up with their employment relationship with the landowner. Most protection is provided to a.) those occupiers who are sixty and who have lived on the farm for at least 10 years, and b.) occupiers who have become incapacitated or disabled while working on the farm. No eviction order may be obtained against these two categories of occupiers: they can reside on the farm until they pass away, i.e. they have a right to tenure in perpetuity. When they die, their spouses or dependents may only be evicted once the land owner has given them at least 12 months' notice. After that notice period, family members may only remain in the house if one of them has entered a separate housing agreement with the land owner.

Occupiers who lived on the land on or before 4 February 1997 are also awarded more protection. They may only be evicted if they can be provided with "suitable, alternative accommodation". However, if any of the occupiers in the above categories commit certain breaches described by the Act - which infringe either on the rights of the land owner or on the rights of their fellow occupiers - they may seemingly be evicted without the provision of alternative accommodation.

On face value at least, less protection is given to two categories of occupiers. These include a.) those whose occupancy is specifically linked to a contract of employment with the landowner and who

¹²³ Last email request sent to the Registrar of the Land Claims Court on 2 December 2014.

have resigned voluntarily; and b.) those who settled on the property after February 1997; who are not yet 60 or disabled; and who expressly agreed with the landowner that their residence would end on a fixed or determinable date. In their case the provision of alternative accommodation on eviction is one of several factors that a court must consider when hearing the application, rather than an explicit condition as in the case of the previously-mentioned occupiers.

Yet, even in those cases where the provision of alternative accommodation is a precondition for eviction, this rule is seemingly not set in stone either. Section 10(3) of the Act states the court may grant an eviction order if (a) suitable alternative accommodation is not available nine months after the occupiers have received the notice of termination of their residence; or b.) the landowner provided the dwelling occupied by the occupier and needs the dwelling for another worker. Although it is clearly ESTA's intention that all occupiers should preferably be evicted only if they have suitable, alternative accommodation, the Act seems to make certain concessions to deal with the reality of having to find such accommodation.

In the absence of available alternative accommodation, the court must judge how much effort both the owner and the occupier have respectively made to find suitable alternative accommodation for the occupier, before it can grant an eviction order. The Act instructs the court to consider the comparative hardship that either party will suffer following its ruling. Hence, ESTA depends to a large extent on the presiding officer of the court's judgement as to a.) whether the landowner and the occupier have made enough effort to find suitable alternative housing; b.) which party will endure most hardship if the court order is granted or not and c.) whether the alternative accommodation proposed is suitable or not. It has been argued that too often magistrates have ruled in favour of landowners and have applied the concessions provided by ESTA too liberally. The fact that occupiers are often unrepresented in court, means that cases are less likely to be adjudicated in their favour.

To alert the Minister of DRDLR to prepare itself for an eviction - specifically to help find suitable alternative accommodation for the potential evictee - the Act prescribes specific procedures in an attempt to create an early warning system. Firstly, at least two months before approaching the court for an eviction order, landowners must provide the person to be evicted, the local municipality and the DRDLR with a so-called Section 9(2)(d) notice, alerting them of his intention to apply for an eviction order. This notice also serves the purpose of arranging legal representation for the potential evictee, especially where the eviction seems to be unfair. Moreover, it alerts the parties to prepare a so-called Section 9(3) probation officer's report, describing the socio-economic conditions of the potential evictee and the circumstances surrounding his/her eviction as well as the availability of suitable, alternative accommodation. The purpose of this report is to assist the court in judging which party will suffer most hardship if the order is granted.

Frustratingly, the Act does not make it clear who is responsible for a.) arranging legal representation for the evictee; b.) the preparation of the Section 9(3) probation officer's report and c.) for finding suitable alternative accommodation. In Section 10(3)(i) the Act refers to "the efforts which the owner or person in charge and the occupier have respectively made in order to secure suitable alternative accommodation for the occupier", suggesting that this responsibility should be split between the parties. A DRDLR official argues that the Act seemingly makes government, the land

owner and the occupier responsible.¹²⁴ But this, she points out, leads to a classic situation of deferred responsibility. “If it is all three parties, it’s nobody really,” she comments.

By implication, some of the procedural requirements, such as obtaining legal presentation for the evictee and ensuring that a probation officer’s report is completed, are the responsibility of the DRDLR, but this is far from obvious. Probably as a result of such obfuscation, the prescriptions outlined above are seldom followed. During stakeholder interviews for this research, producers evicting farm workers were blamed of not issuing Section 9(2)(d) notice notices. Municipalities and the DRDLR were blamed for merely filing these notices (if they were filed) and trying to shift the responsibility onto each other for writing Section 9(3) reports – with the result that no such reports were presented to court. A DRDLR official suggested that the responsibility for writing the report was in fact that of the Department of Social Development, but that that Department seldom did so.¹²⁵

Case law has ruled that, in an attempt to find suitable alternative accommodation for the potential evictee, the relevant municipality, the land owner and the occupier are supposed to have a so-called “meaningful engagement”. However, these have become mere procedural formalities. NGOs who assisted evicted workers in the Western Cape often complained about the lack of assistance they received from municipalities and the DRDLR, when these were approached for help. More than once the comment was made that if no pressure was put on these agencies, nothing happened. In the case of Ceres municipality, NGO workers have been so frustrated with the municipality’s lack of action that they have protested by camping out on mattresses in front of the municipality.

Overwhelmed municipal managers are clearly frustrated and unsure of what they should do. They referred to long waiting lists, lack of available funding for housing and the fact that their existing settlements were already bursting at their seams. “We have been phoned at 4 pm on a Friday afternoon to say that people are being evicted and that we have to help urgently. So the municipality provides transport to the informal area. But all 31 of our informal settlements are full. So where does the person put up his Wendy House?” was the lament of one such officer. Fingers were also pointed at the DRDLR. A municipal officer of Robertson complained that although she had alerted the DRDLR about evictions, by the time they responded, the farm workers had already been evicted. Although evictees are supposed to contact the Department for help, a municipal manager and human rights attorney (who preferred to remain anonymous) said evictees usually ended up on their doorstep, and usually in tears. When the attorney tried to phone the DRDLR’s toll-free number which those facing eviction were expected to call for help, “the person on the other end of the line did not know what I was talking about.” The same lawyer also pointed out that the offices of the DRDLR are geographically far away from most workers and that “if you get there, it is quite likely that the office is empty”.

In turn, the DRDLR said their hands were tied due to limited resources and staff and having to implement an Act that was “not implementable”; that has never been subjected to a Regulatory Impact Assessment; which never had a clear implementation strategy; and where no resources have

¹²⁴ Vuyiswa Nxasana, Chief Director: Tenure Systems Reform, Department of Rural Development and Land Reform, Pretoria, 26 November 2014.

¹²⁵ Vuyiswa Nxasana, Chief Director: Tenure Systems Reform, Department of Rural Development and Land Reform, Pretoria, 26 November 2014.

been set aside for its implementation. “To have legislation that regulates relationships on farms, where there are these power asymmetries and where there is no enforcement mechanism, and to have legislation that is so court-driven was a big mistake in the first place....I think the focus could have been on the building of a land rights culture instead...having people respect these rights without over-regulating them...This over-regulating is creating problems; when there is no enforcement and there is an untransformed legal system and judiciary, it is going to create these kind of things...The truth of the matter is that in order to know what is happening on the ground you almost have to have to police each and every farm – but who can do that? The Department just does not have the capacity. They don’t even have half the number of labour inspectors that the Department of Labour has...so it is a free for all kind of thing”.¹²⁶

This official expressed the hope that the envisaged Land Rights Management Committees, which would comprise multi-stakeholders on the ground, would be in better position to monitor and respond to evictions, and also be able to negotiate and conduct dispute resolution between landowners and those facing eviction. While the challenges of various levels of government can be appreciated, none of these challenges – or the failure to respond to them - are exactly new. Hall (2003) pointed to several of these failures more than ten years ago. Seemingly no effective solution could be found in the interim.

In the meantime, the justice system is placing increasing pressure on municipalities to provide alternative accommodation for the evicted. The Constitution enshrines the right of everyone to have access to adequate housing, as pointed out before. Moreover, court cases such as *Grootboom* (2000); *Blue Moonlight* (2006-2012) and *Olivia Road* (2008) have established a jurisprudence around the requirement of municipalities to provide alternative accommodation for people who are evicted and left homeless. Consequently, in June 2014 the South African Local Government Association (SALGA) sent a circular to municipalities advising them to do more research on evictions in their area; to plan for eviction by acquiring sufficient land and rental stock; and to maintain an updated audit/database on available accommodation. Moreover, municipalities were advised to formulate a coherent policy strategy on evictions in consultation with occupiers and property owners. The Socio-Economic Rights Institute (SERI) has advised municipalities to develop a rental housing policy that accepts the obligation for the municipality to provide sufficient and reasonable alternative accommodation to people who are evicted (SALGA, 2014).

Planning for eviction

The National Housing Code makes provision for an Emergency Housing Programme which puts municipalities at the forefront of implementing this programme. Specific funding for emergency housing is allocated to provincial departments of Human Settlement. Municipalities, as the first party responsible for responding to emergencies, can procure funding for such emergency housing from provincial government (HDA, 2012: 20). Yet, from interviews with municipal managers, it seems that the municipalities are not yet geared towards providing emergency housing in a structured, planned fashion.

According to the human rights lawyer interviewed, municipalities are generally unsure of how to implement the emergency housing policy. “If you ask them when last they applied for emergency

¹²⁶ Vuyiswa Nxasana, Chief Director: Tenure Systems Reform, Department of Rural Development and Land Reform, Pretoria, 26 November 2014.

housing, they cannot answer you,” she commented. She noted further that municipalities are unsure whether emergency funding should be provided from their existing housing allowance, or whether they can apply for additional budget. Moreover, municipalities are uncertain of what constitutes emergency housing. “Is it a Wendy House; a few tar poles and eight sheets of corrugated iron?” asked one lawyer. Or, as one social worker from Ceres wanted to know, does it mean “dumping people in Vredebes”, a farm bought by the Ceres municipality “where people are living in Wendy Houses in chaotic circumstances in a state of total hopelessness”. Vredebes hit the headlines in 2013 following the rape of a four-year-old boy. The incident prompted a visit by the Minister of Social Development, but, according to the social worker “nothing has happened, apart from the erection of two flood lights and the delivery of mobile toilets”. According to a municipal officer of Ceres, the municipality currently “do not have emergency housing available, but plan on putting up an emergency camp in Vredebes by providing a serviced site”. A municipal manager of Drakenstein noted that they are so desperate for land on which to build emergency housing that they have even been thinking of demolishing a graveyard.

But emergency housing is unlikely to meet the requirements of “suitable, alternative accommodation” as defined by ESTA. This is because the Emergency Housing Programme is designed to provide temporary relief only, through the provision of secure access to land, engineering services, and shelter. The Programme stipulates that emergency housing should be limited to absolute essentials (Emergency Housing Programme, 2009:13). For this reason, the level of servicing can be lower than the national norms or standards. It should seek to respond directly to the emergency housing situation, but should lay a functional foundation for a permanent solution. The understanding however is that the permanent solutions will be provided through other programmes (HDA, 2012: 16-17).

So who should provide more permanent solutions for those who are evicted? ESTA goes into great length to make it clear that the Minister of Rural Development and Land Reform should implement measures to facilitate long-term security of tenure for occupiers. To this end, the Act gives the Minister fairly wide powers. Section 4.(1) states that: “the Minister **shall** [own highlight], from moneys appropriated by Parliament for that purpose and subject to the conditions the Minister may prescribe in general or determine in a particular case, grant subsidies –

- a) to facilitate the planning and implementation of on-site and off-site developments;
- (b) to enable occupiers, former occupiers and other persons who need long-term security of tenure to acquire land or rights in land; and
- (c) for the development of land occupied or to be occupied in terms of on-site or off-site developments.

Section 4.(4) goes further, stating that the “Minister may grant subsidies through an agreement with a provincial government or a municipality, or a person or body which he or she has recognised for that purpose”. Yet, the DRDLR has never prioritised Section 4 of the Act and so far very few Section 4 developments have been implemented. Why this Section is not used more aggressively to secure suitable alternative accommodation for the evicted is perplexing.

Section 2.11: The ability of municipalities to cope with housing

It is significant that although the Farm Worker Housing Assistance Programme (FWHAP) does not provide any funding for off-farm housing, it advises that “owing to the potential of injudicious creation of unsustainable farm worker settlements to distort existing settlement patterns and increase municipal service burdens... the creation of new farm resident settlements should be regarded as an option of last resort” (National Housing Code, Part 3:22). This comment seems to suggest that the authors of the National Housing Code had reservations about the practical feasibility of agri-villages. Its view is shared by an official of the DRDRR who described “agri-villages as the worst...a big mistake...because they become eviction centres...because producers tend to “dump” their workers on these sites”.¹²⁷

While Agri SA supports the idea of sustainable agri-village as “one (but not the only) option in some districts of the country”, it also cautions against such areas becoming “poverty traps”, especially when these are unserved by municipalities.

The FWHAP suggests that in the case of “intensive (high yield) farming (e.g. fruit/vegetable/wine or chicken farming)...typically practised on relatively small farming units, [that] is labour intensive (especially during cropping season) and settlement patterns are often relatively dense...it is preferable to house workers in sustainable settlements (such as the nearest town)” (NHC, Part 3: 11). It notes that this option has the advantage that households have access to social and economic amenities associated with such settlements. “In particular those members of households that do not have full time employment in agriculture can find alternative work opportunities in the town. Children also have access to schools and households to clinics, recreational facilities etc. This is considered the most sustainable settlement scenario and should be pursued as a first priority” (NHC, Part 3: 12). As previously mentioned, the FWHAP suggests that on-farm housing developments should be reserved for farms that are not labour-intensive, that have few farm residents and where the farm is far away from the nearest town, making the transportation of workers to and from work difficult. The Western Cape Department of Human Settlement (WCDHS) takes an even more explicit view: it suggests that the on-farm housing subsidy options – as suggested in the FWHAP should only be considered as an option of last resort. (WCDHS, 2013).

It seems therefore that government policy is increasingly to suggest off-farm housing options for farm workers, especially in labour-intensive farming areas, which include most of the case studies discussed in this report. The question is to what extent has government planned and budgeted for its policy preference? More specifically, given that municipalities are the representatives of government at the local level – to what extent are rural municipalities geared for such policy implementation?

Although housing is a provincial government function, municipalities act as their implementing agents. To fund a housing development, municipalities apply for funding to the Provincial Department of Human Settlements, which in turn receives funding from the National Department of Human Settlements (DHS). The amount of funding a municipality receives from the provincial DHS depends on the motivation it sets out in its Housing Chapter, a mandatory component of its Integrated Development Plan.

¹²⁷ Vuyiswa Nxasana Chief Director: Tenure Systems Reform, Department of Rural Development and Land Reform, Pretoria, 26 November 2014.

The fact that farm workers are however often not on municipal housing waiting lists, or needs registers complicates their efforts to formulate a Housing Chapters plan that integrates farm workers in their housing developments or to motivate for additional funding. For instance, the WCDHS notes that while there are 241 781 entries on the housing demand databases of the municipalities within its jurisdiction, only 9 398 of addresses for registered entries contain the word “farm”. The Department ascribes this phenomenon to a combination of insufficient information on municipal databases about whether entries are farm residents or not as well as the relatively low levels of registration among farm residents on waiting lists. The WCDHS notes that “it is imperative that municipalities drive a process that would facilitate the registration of farm residents on their housing demand database.” To this end they have improved the functionality of their formation platform to allow municipalities to capture farm residents applying for housing more accurately.

While it has been argued that the lack of funding for housing and infrastructure provision is often the result of insufficient motivation in their Housing Chapters (or in some cases the complete absence thereof) during this research, municipal managers frequently complained that they usually get only a fraction of the funds that they have applied for. All officials referred to long housing waiting lists and their difficulty helping those already on waiting lists, not to mention helping farm workers. Below are examples of the length of waiting lists in some of the municipalities that fell within the case study boundaries:

- Drakenstein: 21 000
- Makado: 16 000
- Robertson: 10 580
- Ceres: 9 332
- Sunday’s River: 3 844

A municipal manager explained the seriousness of the problem as follows: “A housing subsidy amounts to about R150 000. Our municipality receives R20 million per year for housing. This implies that about 133 houses can be built per year. Given that there are currently 10 580 people on its waiting list, the municipality can expect to eradicate this waiting list in 18 years’ time – if the current backlog stays static.”

In Levubu and Nkomazi the majority of farm workers lived in TCAs. The spread of self-built housing in unplanned settlements in these TCAs presented local municipalities with major service delivery challenges. In these municipalities officials complained about having to allocate a large proportion of the municipal housing budget to the upgrading of water, sanitation, electrification, roads and waste disposal infrastructure in TCAs, yet, such infrastructure provision was not rateable. The costs of these expenses are recovered from ratepayers in the rest of the municipality, which unsurprisingly, has led to great unhappiness. However, this was not just the case in municipalities bordering TCAs. The growth of informal settlements in rural towns that have farms with a high labour need in their district has also mushroomed.

One such settlement is Nkanini, an informal settlement situated on the slopes of a koppie outside Robertson. Because informal houses were built on a slope, the municipality struggles to pump water

to residents and as result the settlement has no sewerage system. According to the municipal manager, when the first rains fall “all the sewerage washes down the slopes of the koppie and into the Breede River”. Yet, the lack of rural sewerage systems as well as the fact that many of these systems are under pressure is pervasive. A national study investigating the link between irrigation water quality and food safety, found that various South African rivers used for irrigation contained concentrations of faecal micro-organisms ten thousand times higher than the allowed, safe levels set by the World Health Organisation (WHO) and the Department of Water Affairs. It noted that there is “a high risk of exposure to human pathogens when water from the studied rivers is used to irrigate produce that is consumed raw or without any further processing steps”. The authors of this study, Britz & Sigge (2012), note that this situation will impact on both the national and international trading status of agricultural producers and may cause a suspension of exports. The authors point out that one of the major sources of faecal pollution of natural water courses are the many unserviced informal settlements that have been established near rivers in the last two decades as the process of urbanisation of poverty-stricken rural people gathers momentum. They note that the other major contributor to the dangerously high levels of pollution in many South African rivers is the failing sewage disposal systems of a large number of villages, towns and cities. “These systems in total leak huge amounts of raw sewage into the rivers, either from inadequate sanitation in low-income housing areas or from poor maintenance of sewage reticulation systems and inadequate waste water treatment works”, they comment.

Whether sanitation and water provision will improve following the shift of the Bucket Eradication Grant from the Department of Human Settlements to the Department of Water Affairs in 2014, remains to be seen. As a result of this shift, municipalities now have to negotiate with two different departments when dealing with new housing developments – a situation that does not bode well. In the meantime, pressure on rural water supply is increasing on two fronts. On the one hand, municipal managers who complain that they are running out of water, not to mention land, and that unless more dams are built, they will not be able to accommodate more off-farm residents. On the other hand, producers are complaining about the fact that they have no more water to develop new plantations. The strategy of expansion to cope with the pressure of deregulation and increasing globalisation is therefore not only becoming a huge labour relations challenge, but also a threat to the environment.

The curved ball of migration and seasonal labour

As previously discussed, some of the case study areas are experiencing high levels of in-migration. This is especially true in the case studies based in the Western Cape, Sunday’s River and Nkomazi. While some of the migrants in the Western Cape and Sunday’s Rivers initially stay in on-farm hostels and go home during the off-season, given the length of some of these workers’ seasonal contracts, they have increasingly started to settle in local townships as their social networks expand. Migrants supposedly make this move so that they can bring their families with them, as producers usually do not allow hostel residents to bring their family members onto farms, unless their partners work on the farm as well. It is not clear whether migrants stay in rural townships only for the duration of the season, or whether they settle there permanently. It is probably a combination of both. It has been suggested that farm work serves as a stepping stone to the city for many migrants. However, much of the information about the movement of migrants to rural areas is anecdotal and more research is needed to inform policy making, especially housing policy.

What is however clear is that seasonal migration presents a major headache for town planners. Because settlements seemingly contract and expand with production seasons, it is very difficult to plan for housing. Secondly, an increasing number of migrants seem to settle permanently in these areas. In the Sunday's River area, the influx of migrants has led to an informalisation of formal townships because local residents rent out backyard shacks to migrant workers. This trend is putting further pressure on the already inadequate infrastructure.

Running out of available land

As a result of an increasing influx of migrants, rural municipalities complain that they are running out of land. In some of the case studies, such as Nkomazi, land which is earmarked for housing developments belongs to the state, but is subject to restitution. This has caused further delays in transferring the land to the municipality. More often though, land belongs to private owners, and more specifically, to producers.

The National Housing Code acknowledges that the majority of rural municipalities are faced with enormous capacity challenges and may not be in a position to adequately cope with planning and the delivery of services. The IDP of Makhado (the municipality in which Levubo is based) is illustrative of this problem. It notes that most planning and development activities have been carried out haphazardly, resulting in incorrect and expensive delivery of services; that fragmentation of residential development gives rise to the duplication of services, which are costly and inefficient and that dispersed spatial structure causes unnecessary transport costs. Yet, in spite of the crisis faced by many rural municipalities – in no small measure due to intensified agricultural activity - little concrete help is at hand from either the state or organised agriculture.

The authors of the FARE report (2013:44) noted: “The responsibility for subsidising farm worker settlements was indirectly passed on to provincial governments, and more substantially, by default, directly to local governments. This is clearly not sustainable”. In terms of Section 7(2)(c) of the Housing Act, the provincial department is required to take all reasonable and necessary steps to support and strengthen the capacity of municipalities to effectively exercise their powers and perform their duties in respect of housing development. An internal mail circulated among the staff members of a Western Cape municipality stressed the need to engage both the DRDLR and SALGA to “deal with the burden on the municipality in the light of the shared constitutional responsibility”.

Although ESTA enables the DRDLR to expropriate land to secure the tenure of farm workers, this mechanism has not yet been used. All in all it is puzzling why the Minister of DRDLR has not yet used Section 4 of ESTA to provide more off-site developments for farm workers, given that ESTA explicitly calls for the development of off-farm housing alternatives, but also allows the minister to access departmental funds for this purpose. However, whether funds should be sourced only from the coffers of the DRDLR to provide for the housing needs of an increasingly off-farm worker population, is debatable. A multi-departmental response, which includes the DHS as a major stakeholder, seems more appropriate. While producers would obviously stand to benefit from such off-farm development, at this stage neither Agri SA nor SALGA have engaged each other about the joint identification of suitable land that would allow rural municipalities to build such developments.

Section 2.12: Worker Agency

Worker rights

On farms in the Western Cape, SRV, Nkomazi, Bothaville and Gauteng, about half of permanent workers indicated that they knew their rights in the workplace. On farms in Levubu, Eston and Ventersdorp, most workers however indicated that they were either unsure about their rights in the workplace or that they did not know their rights at all. Seasonal workers' knowledge about their rights was worse. In the Western Cape, only about 37% of them indicated that they knew their rights.

The vast majority of both permanent and seasonal workers, including union members, indicated they would like to have more training about workplace rights. While workers were generally vague about what type of training they needed, some indicated they would like more training on topics such as leave, dismissal procedures; overtime; the functioning of trade unions; and the link between a job category and the rate of pay. Senior workers also wanted to know how they could obtain more decision-making powers and whether middle management was entitled to certain benefits. Although not a workplace topic, it was significant that many workers also wanted to know how they could access housing subsidies.

Grievance procedure

Farm workers' committees have been created on most of the case study farms, apart from the Free State farms. The prevalence of these committees has increased in the last ten years as ethical trade codes usually require their presence in the absence of any level of unionisation. On Free State farms, workers were more likely to be unionised.

On the Western Cape case study farms, farm workers' committees seemed to have had some level of success in voicing workers' collective demands and grievances. Questioned about the efficacy of the workers' committee to take up grievances on their behalf, the majority of workers interviewed during SSIs in this province felt it was useful. This view was also repeated during group discussions. For instance, some workers reported that the workers' committee succeeded in reining in a swearing supervisor. However, this was not a victory that imposed major costs on the company. On another farm the worker committee managed to correct the underpayment of seasonal workers, who previously had not been paid the minimum wage.

Yet, in most case studies it was striking that many of those interviewed often did not even know about the existence of the committee. In addition, even where workers knew about its existence, the majority still preferred to take up their grievances directly with management. Interestingly, even on the Free State farms where workers belonged to unions, they preferred to take up issues directly with management.

Complaining to management however involved a cumbersome, hierarchical process. Normally complaints were escalated from one level of management to another until the problem could be resolved. By using this system, workers ran the risk that their grievance might "die" at one of the lower echelons, without ever really being heard by senior management. The system seemed to be fairly effective on smaller farms with less hierarchical management structures. Here producers usually had an open door policy which workers used extensively, often to the exhaustion of employers.

It was surprising that in spite of hierarchical grievance mechanisms, 71% of workers interviewed in the Western Cape felt that management had responded to their complaints. A possible explanation of the fact that workers preferred to complain directly to management could be that communication between workers and management is in fact better than it is often made out to be. Another could be that the entrenched paternalist relationships between employers and their workers, where the latter would historically depend for most things on the former, still persist. A third reason why many workers may prefer to approach management directly, could be that the majority of workers' grievances still seem to be of a personal nature. Linked to this was the fact that workers did not trust the workers' committee members to keep complaints confidential. It was also felt that workers' committees (and also shop steward committees in the case of Gauteng) were "too close to farm owners" and used mainly to assert the producers' authority.

The insistence by ethical trade organisations that such committees be facilitated in the absence of trade unions, has been controversial. Trade unions have argued that the committees are toothless, have no real negotiating power, but create the ruse of worker representation where there is in fact none. Yet, if such committees are indeed as toothless, as unions claim, why are they resisted so fiercely by unions? After all, the presence of a worker committee does not preclude unionisation. The potential of worker committees to give some measure of representation to workers, especially to seasonal workers who are usually not represented by workers should therefore be further explored, even if only as a first step towards unionisation.

Workers' most common complaints

Producers were asked what workers mostly complained about. These were the issues that workers complained about most, ranked in terms of frequency of complaints. This "ranking of complaints" was also tested during focus groups with workers.

1. Wages are not high enough;
2. Deductions from wages;
3. Housing;
4. Gripes against other workers;
5. Workers feel that they are not being fairly treated;
6. Management does not respond to their grievances;
7. Transport to and from work is late;
8. Unhappiness about not being able to get a loan from the producer.

Worker organisation

Level of unionisation

As can be seen above, while there are a fair number of complaints that could potentially be taken up collectively, across all case studies, collective organisation among the workforce was low. Only 14% of permanent workers and 8% of seasonal workers belonged to a union.¹²⁸

Apart from the Western Cape, where workers were also unionised by BAWUSA and CSAAWU, on case study farms in the rest of the country FAWU dominated. Levels of representation on unionised

¹²⁸ Levels of unionisation in our sample are arguable higher than national estimates for the sector (which is estimated at 5-10%). This can be explained by the fact that union members were purposefully included in the sample by researchers to capture their views.

farms were however low, apart from three farms where 50% or more of workers belonged to FAWU. In one exceptional case 95% of workers who worked on a Levubo farm owned by a Community Property Association (CPA), belonged to FAWU. On the Western Cape farms, union penetration was much lower: Of the case study farms none had managed to sign up more than 30% of workers. Union organisers in the Western Cape reported that they had made certain gains in signing up members at the time of the 2012 De Doorns protest, thanks to workers' increased awareness about unions. Some however indicated that once the minimum wage increase was announced in March 2013, interest in joining the union waned. Some union organisers interviewed felt it was easier to organise workers who lived off-farm than those who lived on-farm, as workers could not be evicted from their houses and did not stand to lose major benefits if they joined the union.¹²⁹ Key producer stakeholders interviewed in the Western Cape also noted that most of the strike activities during the 2012 farm worker protests were centred in townships where seasonal workers lived.¹³⁰

Overall, unions have still managed to sign up only a fraction of the total workforce in specific areas. For instance, although BAWUSA is now represented on approximately 120 farms in the De Doorns area, it still has only 1 500 paid-up members, of whom most are seasonal workers living in town.¹³¹ In the Witzenberg area, it has 1600 members (consisting of both seasonal and permanent workers) based on 33 farms. In the Robertson area it has a bigger membership, due to the presence of more wineries and factories. In season, it has approximately 6000 members, but membership then tapers off to between 1000 and 2000 members during the off-season. Most union members work in cellars and factories. Like BAWUSA in Robertson, FAWU's (new) organiser in Ceres focuses mostly on recruiting the workers of two major packhouses: so far he has signed up about 2 600 workers.

While FAWU is the dominant agricultural union in the country, in the Western Cape there are several smaller unions competing with each other. A labour consultant working in the sector complained that he had to deal with 22 different trade unions in the Boland alone. Of the agricultural trade unions in the Western Cape, only about 12 are registered. The fragmented union landscape has been attributed to the absence of a strong, national union focussing specifically on farm workers. In an attempt to coordinate the activities of these small, non-aligned trade unions, in the Western Cape the Agricultural Workers Empowerment Trade Union Council (AWETUC) has been established under the auspices of the South African Wine Industry Trust (SAWIT). It represents seven of the twelve registered agricultural trade unions in the Western Cape and had a full-time coordinator up until the beginning of 2014. However, the initiative has struggled to make real gains, as a result of competing personalities who sometimes have different ideologies.¹³²

Divisions between workers do not exist only in the union movement, but also in the workplace. During interviews, several workers commented on the hierarchical relationship between permanent workers who stay on-farm, permanent workers who stay off-farm, and seasonal workers. As permanent on-farm workers stay together in tightly-knit communities – and are more dependent on the goodwill of the farmer - it is in their interest to maintain good relationships not only with each other, but also with the farm owner. This imperative is less so for permanent off-farm and seasonal

¹²⁹ Interviews with Margaret Geyer, Johannes Rossouw, BAWUSA, Robertson, 20 June 2014 and Mxolisi Mngxunyeni, FAWU organiser, Ceres, 29 July 2014

¹³⁰ Interviews with key producers, Ceres, Robertson and De Doorns.

¹³¹ Peter Visser, Assistant General Secretary, BAWUSA, Pretoria, 6 September 2014.

¹³² Peter Visser, Assistant General Secretary, BAWUSA, Pretoria, 6 September 2014.

workers. As a result, the interests of these worker groupings are not always aligned. This fact became abundantly clear during the March 2013 minimum wage increase when spokespersons claiming to speak for on-farm workers lambasted the November 2012 strikers for worsening the conditions of on-farm permanent workers after producers began to make deductions from their wages.¹³³

In the Western Cape, there is also a racial split between farm workers due to fact that the majority of permanent workers are still Coloured, while the bulk of seasonal workers are African.¹³⁴ On farms, Coloureds and African workers often live separately: permanent Coloured workers live in houses, while seasonal African workers live in hostels. Some farms even split work teams along racial lines. It is not clear what motivates the practice and whether it is to facilitate communication within the team or to prevent strife between parties, but this should not be left uninterrogated.

Sometimes divisions were also found between workers who worked in the same workplace, but for different employers. For instance, on a farm in Eston, factions within the workforce included (a) workers in the transport contracting business, (b) established farm workers (c) new farm workers employed as a result of the recent purchase of new farms, and (d) employees of a contractor who resided on the farm.

Why don't workers belong to unions?

Probed on whether there were any specific reasons why they did not belong to a trade union, the most common response provided by workers during SSIs was that they were not interested in joining a union. Reasons for a lack of interest in joining a union were: that they were happy on the farm; that they did not feel a union could add much to their lives; that they felt management could be approached about problems and complied with all labour legislation; and that they felt that unions soured labour relationships on the farm.

On a farm in Nkomazi, where 65% of workers were organised, shop stewards reported the annual wage negotiations now took place thanks to the union and that issues of concern had been brought to management's attention for the first time. However, in the rest of case studies, workers' impressions of unions were less positive. During a group discussion on a BEE farm in the Robertson area, where 25% of workers had joined a union following the November 2012 strike, union members were contemplating resignation because they complained they did not get any service from the organiser. They felt it was a waste to pay union subscription fees and accused the organiser of souring their relationship with management. The allegation that unions soured workplace relations also cropped up in the Bothaville and Eston case studies. The most extreme case of union dissatisfaction was found in Eston. In the past workers had suspected a union representative of pocketing some of their membership fees. A strike ensued with workers demanding an end to the labour union's activities in the region. Whether this was an urban legend, or based on reality was not clear, but workers across case studies often made the claim that union officials had "run off with other union members' subscription money" and that union officials were incompetent, especially at representing workers at the CCMA. It was not clear how many of these perceptions were their own and to what extent they were informed by management.

¹³³ See "Plaaswerkers wil self onderhandel", News 24, 22 January 2013. Available online at: <http://m.news24.com/nuus24/Sake/Nuus/Plaaswerkers-wil-self-onderhandel-20130122>

¹³⁴ Own observations, confirmed by interview with Susan Rens, BAWUSA, Ceres, 29 July 2014.

The second and third most common replies given as to why workers were not eager to join a union were closely related. Workers replied that they did not know what a trade union was; and that no union had ever attempted to recruit them. In the Western Cape the claim that workers had never heard about a union was striking, in the light of the extensive publicity that was given to the De Doorns strike. Yet, even here, about 12% of seasonal workers interviewed replied that they did not know what a trade union was.

Intimidation and Victimization

Workers were specifically asked if somebody had ever stopped or prevented them from joining a trade union. Across case studies 6% replied “yes”. In the Western Cape about 10% of worker responses provided during SSIs could be interpreted as victimisation or intimidation. These included the claim that a producer had in the past threatened to withdraw worker benefits if workers joined a union; that unionised workers were given more difficult work than other workers; and a case where a supervisor did not want to recruit seasonal workers who participated in the 2012 strike. In Nkomazi and Bothaville, where farm workers were unionised, they felt that the relationship with management had worsened since they joined the union. On the Nkomazi farm especially, workers felt they were singled out for harsh treatment. Management now “plays by the book” and there is “little give and take”, they complained.

Quite often though, producers did not say or do anything overtly to dissuade workers from joining a union, but workers nevertheless had the perception that dire consequences might follow if they joined a union. These perceptions were often based on rumours about what had happened on other farms. The most persistent fears expressed by workers were that that they might lose their house and/or lose their benefits if they joined a union.

“It is a psychological problem we are up against when we try to organise farm workers,” explained Peter Visser, assist general secretary of BAWUSA: “Their whole life long they are dependent on the producer and his moods, so they feel they cannot exercise their rights and that if they do, that they will lose their house and work.”

In the light of ethical trade audits, producers have become more sophisticated when expressing their view on trade unions – both to workers and researchers. Rather than threatening to fire workers, producers who resisted trade unions used more subtle means. Mostly these involved hinting as to “what has happened with other producers, where relationships soured and where workers’ benefits were taken away”. The implication for his own workers is however crystal clear.

Union organisers alleged that producers influenced and intimidated workers not to sign up; or to resign from the union once they had joined. “If we start with the stop orders, that is when the producers will start harassing workers. When you set up the appointment for the verification process, you receive the resignation forms,” complained Mxolisi Mngxunyeneni, a FAWU organiser, from Ceres. These claims were also made by BAWUSA organisers in Robertson. The latter claimed that on one farm a producer gave all workers, except union members a R200 bonus. When he was questioned about this, he told the union members that “if they want money, they should ask their union”. These two organisers said producers also threatened to withdrew worker benefits.¹³⁵

¹³⁵ Interview with Margaret Geyer and Johannes Rossouw, organisers of BAWUSA, Robertson, 20 June 2014.

When negative views about trade unions were raised in front of the researchers, they would be presented along the lines of unions “driving a wedge between workers and employers”, “wasting workers’ hard-earned money”, rather than condemning unions outright. However, in some cases the latter still happened: a Bothaville producer told the researcher “they should not come here with their bloody union”. The same producer boasted about chasing a union from his farm in 1989. Union organisers in the Western Cape were given a slight variation on this theme: “The producer told me: ‘This is my farm and here I do what I want. You don’t come here and tell me what I should do’, said Margaret Geyer, a regional organiser of BAWUSA.

Most organisers interviewed complained that they still struggled to gain access to farms to recruit workers, especially where such farms had security gates. Organisers said that some producers did not allow them to meet with their members on-farm.¹³⁶ An organiser of FAWU complained that when he wanted to recruit workers at a major agricultural group in Ceres, management insisted on being present when he addressed workers and also asked that he should speak Afrikaans although he was Xhosa and not all workers were Afrikaans-speaking.¹³⁷ However, at other agricultural businesses, the employer had a more accepting attitude toward unions. For instance, a sugar cane corporation in the Nkomazi area said that although the relationship with the union had been ‘rocky’ to start, understanding and co-operation between the parties had subsequently grown.

Strike action

Nationally 33% of seasonal workers and 18% of permanent workers interviewed during SSIs indicated that they had participated in a strike in the past. Given that all three Western Cape case studies were located in so-called “hot spots”, where the 2012 farm worker uprisings were particularly acute, this was to be expected. Yet, strike rates were also fairly high in Levubu and Nkomazi and in Eston. The incidence of strike action was not highly correlated with union membership. On at least three of the case study farms (in Eston, Nkomazi and Bothaville) workers were dismissed following unprotected strikes. As workers run the risk of being fired if they participate in unprotected strikes, it is vital that all workers – not only those that are unionised – receive more training on the rules regulating strikes. In SRV, there were very few strikes. One informant mentioned there had been a five-week long strike on farms in the valley in the early 1990s. That strike action impacted heavily on workers’ livelihoods as a result of loss of income during the strike. Since then, workers had been more cautious before embarking on strike action, he said.

In the Western Cape, the majority of producers interviewed thought that events had quietened down since the November 2012 strikes. In the Bothaville area though, four out of the five producers interviewed felt that strike action had increased following the De Doorns protest. One farm had experienced two strikes in a matter of 12 months since March 2013. During the previous 15 years he had experienced no labour action on his farm.

¹³⁶ Interview with Mxolisi Mngxunyeni, FAWU organiser, Ceres, 29 July 2014; Susan Rens, BAWUSA, Ceres, 29 July 2014.

¹³⁷ Interview with Mxolisi Mngxunyeni, FAWU organiser, Ceres, 29 July 2014 i.

Third party assistance to worker agencies

Rights-based training

While labour unions provide labour rights training to farm workers, they focus mainly on training their own members and especially shop stewards. Given the low levels of unionisation, the capacity to reach and train farm workers is limited. A range of organisations, including the state, NGOs and industry bodies have however become involved in rights-based training for farm workers and also provide some paralegal services to farm workers. Community advice offices have been especially active in offering legal services to workers. However, the centres are under the threat of closure due to a lack of resources (FARE, 2012: 57). Given their vital function, ways should be found to support them.

The Robertson municipality, in conjunction with the DoL and the DRDLR, has been providing training to farm workers in the area on ESTA and labour legislation every second year. According to the municipal training convenor, when the training programme was initially launched, producers were quite hostile towards the initiative, fearing that workers would be “instigated”. However, their attitude towards this training changed once the municipality began to invite them to the sessions. To date, workers on almost 800 farms in the Langeberg area have received such training.

The CCMA provides legal training to union organisers to enable them to give legal advice to farm workers.¹³⁸ Apart from these initiatives, other examples of the state providing rights training to farm workers in the case study areas could not be found. Both the Department of Labour (DoL) and the Department of Agriculture, Forestry and Fisheries (DAFF) were contacted to find out more about such training as well as other issues, but neither responded.¹³⁹

Various NGOs operating in the case study areas have been involved in legal rights training for farm workers, and where possible, have provided them with legal services. Examples of the latter include the Witzenberg Rural Development Centre (WRDC) in Ceres and the Legal Aid Clinic of the University of Stellenbosch, which runs a Legal Aid Clinic service for farm workers in the Ceres area on a monthly basis.

Another is the Rural Legal Centre in Robertson, jointly operated by the NGO Mayibuye iAfrika! and the trade union, CSAAWU, which provides both worker rights training and some paralegal services to farm workers.¹⁴⁰ “People come to the office about dismissals, evictions and labour relations problems in the workplace. We phone the producer and try to mediate between the producer and the worker. If we cannot solve the problem, we refer the matter to CSAAWU who then refers the matter to the CCMA,” explained a staff member of Mayibuye iAfrika!¹⁴¹ Mayibuye iAfrika! also has a SMS messaging system that enables them to send news flashes to the cell phones of approximately 4000 farm workers. Workers can also SMS abuses to a dedicated number provided by the organisation.

¹³⁸ Interview with Susan Rens, BAWUSA, Ceres, 29 July 2014

¹³⁹ Email sent to two representatives of DAFF on 1 December 2014. No response was received by the completion of the report.

¹⁴⁰ Mayibuye is supported by the Trust for Community Outreach and Education (TCOE).

¹⁴¹ Interview with Shirley Davids, Mayibuye iAfrika!, Robertson, 17 June 2014

Other NGOs which are involved in rights-based training in the case study areas include Women on Farms (who supported a woman's group in De Doorns); the Association for Fairness in Trade (AFIT), a network assisting workers on South African farms certified as Fairtrade, which operates in the Cape Winelands Areas; and the Eastern Cape Agricultural Research Project (ECARP), an NGO based in the Grahamstown area, which has been organising workers on livestock and citrus farms, including the Sunday's River valley.

An example of an industry-based organisation that has conducted rights-based training among farm workers is SIZA. It has provided such training on export farms in the Sunday's River Valley and the Western Cape. It also directly engages with employers to raise awareness and educate them on labour law and ethical standards required by overseas and domestic customers. SIZA has also been running a programme in SRV aimed at improving communication between employers and workers, and raising their overall level of awareness of their respective rights and responsibilities.

During stakeholder interviews, the need for more organisations to provide legal and para-legal services to farm workers was stressed by a number of stakeholders. It was striking that when worker respondents were asked whether they belonged to a union, they sometimes replied that they "belonged to the Scorpions", a company that provides legal services. The fact that workers are prepared to sign up for such services – at their own cost – illustrates the need for free or at least subsidised legal services.

Worker representation

The system of worker committees established as a result of ethical trade requirements has already been referred to. However, both unions and NGOs have been sceptical about the abilities of these committees to represent workers' interests. A number of NGOs have however started up so-called "worker-initiated worker committees" to represent on-farm workers, especially in areas where union penetration is low.

While Women on Farms (WoF) started up the trade union Sikhula Sonke (SS) in 2004, it has again begun to organise female farm workers into committees, especially those living in informal settlements who are neglected by trade unions. One of these committees also played a key role in the mobilisation of the De Doorns strike (Visser, upcoming).

In Robertson, the Rural Legal Centre, jointly operated by CSAAWU and Mayibuye iAfrika! has also established community forums on approximately 20 farms in the Robertson area. Monthly farm worker meetings are hosted by the partners in four different districts of Robertson. Those who attend monthly meetings do not have to be trade union members. As Mayibuye cannot assist aggrieved workers during CCMA proceedings, these workers are however encouraged to join CSAAWU. The organisation first began doing community building in the area with their "Speak Out" campaigns to highlight the plight of farm workers and farm dwellers in 2009. In October 2012 Mayibuye iAfrika! also organised a march to create awareness of the "widespread hunger and extreme poverty" in the Breede River valley.

A network of farm development committees has also been started by the Robertson municipality. According to the development officer appointed by the municipality, there are currently twenty farm area committees and five town committees in the Langeberg area that link farm workers with the municipality. Permanent farm workers from various farms attend area committees on a monthly

basis to identify problems and needs within their communities. The development officer of the municipality attends all meetings, acts as the liaison for the municipality and tries to assist them on a range of problems, such as children dropping out of school; a shortage of toilets on farms; and alerting the police to violent hotspots.

The development officer also reported that “although labour problems are not my mandate, when I hear about an unfair labour practice, I take it up with the chair of the producers’ association who then takes up the matter with the particular producer.” Through this system of farm committees linked to the producer peer pressure network, some issues have been resolved. The committee system gets no funding from producers, other than to provide transport and time off for workers to attend meetings. According to the development officer, her department has also referred cases that could not be resolved by the peer pressure system to the Department of Labour. “We ask the worker to put the complaint in writing; I submit the report and send it to the Department of Labour”. Rights-based training organised by the municipality – on labour and ESTA rights – as well as any other training, is also channelled through the committees. Such training has included training on the roles of different committee members, financial literacy training and awareness sessions on substance abuse and family violence. While seasonal workers are involved in the training sessions, a weakness of this particular committee system is that it only comprises permanent workers. It also appeared strange that although the development officer knew about the presence of Mayibue iAfrika! in Robertson, she was unaware their farm committees. Despite these weaknesses, this municipal initiative is one of the best attempts by local government to engage with farm workers that the researchers have come across. It should be further developed as a best practice that can be implemented elsewhere.

The NGO ECARP has also started farm committees in the Eastern Cape, including the Sunday’s River Valley. Their farm committees differ from the usual farm committees established on farms in that membership comprises a mixture of farm workers and farm “dwellers”, i.e. people living on farms, but who are not working on the farm. ECARP farm committees have been linked together to form secondary structures, referred to as area committees. ECARP farm committees negotiate directly with the producer over worker grievances and demands. If negotiations with the producer reach a deadlock, or if a producer is in breach of labour legislation, the matter is escalated to the area committee. The latter then sends a delegation of area committee members to the producer to discuss the grievance. According to an organiser of ECARP, they have had many successes using this strategy.

ECARP prefers to remain aloof from the bargaining process. However in order to equip the area committees for their meetings with producers, ECARP staff prep workers beforehand by discussing legislation relevant to the situation and developing bargaining strategies with the delegation. ECARP has also engaged with the DoL and assisted a delegation of 30 farm workers to present submissions to the Employment Conditions Commission (ECC) during its hearings in Grahamstown in May 2011. More recently, the organisation has met with SIZA as well as the international supermarket Tesco. Attempts at engagement with Agri EC have apparently been less successful. According to ECARP, 98 % of farm committees have changed some aspects of their working and living conditions by bargaining with their employers at farm level. However, during this research, apart from an Agri EC representative, none of the other key stakeholder informants in SRV had heard about the ECARP farm committees. Despite many attempts, it was difficult to make contact with committee members

and to arrange interviews. Eventually, contact was established with the Bersheba Area Committee. But the spokesperson of that committee expressed frustration at the lack of recognition given to farm workers by farm owners and labour inspectors.

Umbrella organisations, once again driven by NGOs, have also emerged in recent years to assist farm worker organisation. Although the number of Fairtrade-certified farms in South Africa is relatively small, the Association for Fairness in Trade (AFIT) has begun to unite the various Fairtrade-initiated worker committees on farms into a network. AFIT started to fulfil this role partly to support worker committees in leveraging the Fairtrade code to their advantage. AFIT holds regular information and training workshops on worker rights, meeting procedures and the opportunities that workers can exploit within the Fairtrade system. It also introduces workers on Fairtrade farms to unions.

Another umbrella organisation that gained a lot of publicity during the 2012 De Doorns protests, is the Farm Workers Coalition. The Coalition consists of a conglomeration of (mostly Western Cape-based) NGOs and trade unions. It played an active role in mobilising workers during the De Doorns strike and setting the agenda for negotiations. Since then the activities of the Coalition have become somewhat muted. A planned march to Parliament in March 2013 to demand that the minimum wage be increased to R150 was cancelled because organisers could not obtain permission to march. More recently however, coalition members have also met to discuss the allegations of increased evictions from Western Cape farms. As the Coalition is an informal structure with no dedicated funds, it struggles to organise workers consistently.

In the meantime, a new grouping of workers has emerged, claiming to “speak on behalf of farm workers”. Following the De Doorns protest, workers who were non-unionised and predominantly permanent and coloured, started the Farm Workers’ Forum. Rita Andreas, one of the founding members of the forum, said they were angry with the unions, because the increased minimum wage backfired mainly on permanent workers. By July 2013 the Forum had 3050 members, representing permanent and temporary workers living on 45 farms in the De Doorns and Paarl areas. In contrast to unions, they charge no membership fee. At this stage the forum is funded to a large degree by donations from producers and their organisations, which casts doubt on its impartiality.

The Western Cape Provincial Department of Labour also attempted to establish an agriforum six months prior to the De Doorns protest. The aim of the forum was to alert the DoL about non-compliances on farms but also to discuss general labour relations on farms. The forum consisted of representatives of employers, employers’ organisations, NGOs and unions operating in the agricultural sector. It resolved to meet on a quarterly basis and about 25 different organisations were invited to meetings. Significantly, the forum also planned to make recommendations to the Employment Conditions Commission, which advises the Minister of Labour on amendments to the Sectoral Determination. However, according to a representative of the Department of Labour: Western Cape, no mention was made by forum members of the pending protest at the last forum meeting before the De Doorns 2012-protest broke out (Visser, upcoming).

It has mostly been an uphill battle to organise farm workers into a united front. Trade union organisation has been thwarted by geographical remoteness of organisational sites, inability of workers to pay union subscription funds and a lack of support from apex unions. When NGOs have tried to fill some of the gaps left by unions, they have been perceived as encroaching on union turf

and operating without a mandate from workers, given that they are not membership-funded and driven. On the other hand, NGOs have felt that trade unions are “centrist”, “vanguardist” and out of touch with farm workers on the ground. The fact that both types of organisation struggle to find resources to fund their activities, exacerbates turf wars and existing rifts (Visser, forthcoming).

State support for farm workers

It would be remiss not to point out some good state-driven initiatives that were encountered during this research. The farm committee initiative of the Langeberg municipality has already been mentioned. That municipality has also appointed a social development officer that fulfills a range of services on farms. These include facilitating early childhood development by establishing on-farm crèches; assisting with teacher training for crèche teachers and providing crèche equipment; facilitating ABET-dasses on-farm; organising sports, women’s and youth programmes; and running an on-farm garden project which gave assistance to 30 big vegetable gardens as well as assisting twelve schools with their food gardens. The municipality also ran competitions for the best vegetable garden with prizes sponsored by a local winery. Although a communal vegetable garden was established near the Robertson township of Nquebela, the development officer said “people were not interested, because they expected payment to work in the garden. The fact that the municipality appointed a dedicated social worker for farms should be lauded.

Moreover, while some producers were scathing about the services provided by the DoL, there were also producers interviewed during the case studies who felt that the DoL was often very helpful in providing advice on labour matters. The secretary of the Cape Agri Employers’ Organisation for instance said they had a good relationship with the local Department of Labour’s Inspectorate division. He also lauded the CCMA for mediating on its members’ farms during unprotected strikes.¹⁴² The CCMA were involved in mediating a strike on one of the case study farms in Nkomazi.

The initiative struck between the producers’ associations in Levubu and the Soutpansberg, the Department of Labour and the Department of Home Affairs, to regulate the employment of migrant workers, is yet another example of a pragmatic government intervention that seemed to work.

However many complaints were made about the state not providing services to acceptable standards. Mostly these complaints were not raised by workers themselves, but by organisations that represented them. When workers were asked whether they were satisfied with the services they received from government, it was noticeable that they very seldom complained about a lack of services from the Department of Labour or the Department of Rural Affairs and Land Reform. They tended to complain mostly about long waiting times at hospitals and clinics and a lack of transport to town. This was not necessarily because the DoL and DRALR were blameless, but rather because workers had very few dealings with either of these Departments – unless they were faced with dismissal, had to claim unemployment benefits, or were evicted. In these cases, workers’ first port of call was usually their local councillor, the municipality, NGOs and the trade union organisers. They were the ones who had taken up complaints on behalf of workers that complained most bitterly about state services. Complaints were often raised about the lack of action taken by the state, following complaints, but also about the way that state officials treated workers. Complaints levelled against the DRDLR have already been raised in a previous section, so in this section only those levelled against the Department of Labour are mentioned. These were some of the comments made:

¹⁴² Interview with Jack van Dyk, CAEO Paarl, 20 October 2010

“Often, when X picks up a problem and alerts the DoL, by the time the provincial department reacts, it is too late. We have waited one or two months for an answer.” (Municipal manager, Langeberg)

“We struggle to get feedback from the DoL. We always have to follow up and raise our voices before they do anything. Usually my manager has to enter the fray; only then do they start to jump around. Normally it takes months before they react.” (Municipal officer, Langeberg)

“Government offices have been alien places, where farm workers are often oppressed for a second time. This is the case not only with the Department of Labour, but with all government departments where class and power are at play. It is also about gender dynamics”. (Collette Solomon, Women on Farms).

“The SAPD refused to take on a statutory rape case. We had to put pressure on them to do their work” (Development worker, Stellenbosch).

“The Minister came with his whole entourage following the rape of the Vredesbes boy. A thick report has been written on the whole situation, but nothing has happened” (Social worker, Ceres).

Land Summit

Yet, probably the most significant let down by government of farm workers has been at a national level. In 2010 the Department of Agriculture and Forestry (DAFF) hosted a National Summit on Vulnerable Workers, titled “Towards a better life for vulnerable workers in farms, forestry and fisheries”. The national summit was preceded by a series of provincial farm worker summits. Farm workers and their representatives from across the country were invited to attend the summit hosted at the Lord Charles Hotel in Somerset West. The purpose of the summit was to gain inputs to formulate a comprehensive support programme to ensure sustainable improvements in the livelihood of farm workers and dwellers. The concept note to the summit proudly stated that “flowing from the summit it is envisaged that it will be business unusual for Government in ensuring targeted services to farm workers in agriculture, forestry and fisheries”. Rather ambitiously, the summit eventually concluded with 45 resolutions. Some of the most important resolutions included that:

- Government, employers and workers must work in partnership to ensure the provision of basic services (water, electricity, housing, sanitation and healthcare) to workers in the sector;
- A special fund should be set up by NEDLAC, which would be made available to assist trade unions in the sector;
- A NEDLAC process should be set up to negotiate the establishment of a minimum framework for the social protection of vulnerable workers, addressing such issues as UIF, medical insurance and retirement benefits.
- Bargaining councils for vulnerable workers in agriculture, forestry and fisheries sectors should be established to ensure inflation-related wage increases in the sector;
- DAFF should set up Vulnerable Workers Units at both the national and provincial level. It would also work with the Department of Labour, the South African Local Government Associations

(SALGA) and Cooperative Government and Traditional Affairs (COGTA) to ensure that similar units are set up at local government level.

Following the summit, a National Vulnerable Delivery Forum was set up to monitor the implementation of the resolutions. It consisted of four task teams. The DoL would be responsible for the task team on working conditions; the DRDLR for security of tenure; the Department of Health for social determinants of health and the Department of Agriculture Fisheries and Forestry for empowerment and training. Although the organising and hosting of the National Summit alone cost approximately R14 million, by March 2012 members of the Portfolio Committee on Rural Development and Land Reform remarked that two years later, nothing substantial had been achieved in the implementation of the summit resolutions.¹⁴³

During the same period the Deputy Director-General of DAFF, Mr Joe Kgobokoe, said that although nine provincial delivery forums were to be created, only five provinces had done so.¹⁴⁴ The DDG also said that a.) the efforts of NGOs were to be coordinated through the creation of an NGO forum and b.) that the DoL would establish a farm workers' provident fund. So far this has come to naught¹⁴⁵ (Visser, forthcoming).

The researchers requested an interview with the Department of Agriculture to hear what progress had been made with the implementation of the goals of the National Summit on Vulnerable Workers of 2010, among other things. This request effectively also came to naught.¹⁴⁶

Section 2.13: Producer Agency

Producers' knowledge about their rights

Unlike workers, producers interviewed were fairly confident that they had sufficient knowledge about labour legislation. In contrast to farm workers, who were under-serviced when it came to access to legal services and advice on their workplace rights, the majority of producers interviewed had access either to a full-time or part-time HR officer or made use of a labour relations consultant on either an ad hoc or retainer basis. The services of the latter were mostly used for serious disciplinary hearings, to provide training, to check that contracts were compliant with legislation; and for the recruitment of higher-skilled staff. In the Western Cape, six producers were members of the Cape Agri Employers' Organisations, which dealt specifically with labour issues and had 300 paid-up members. The organisation sends out regular electronic labour updates to members. Notably, the CAEO also did road shows following the March 2013 minimum wage increase to explain to producers what remedies they had to absorb increased costs.¹⁴⁷ Some producers in Levubu and Ventersdorp also belonged to the Agricultural Employers' Organisation (AEO). A Levubo producer

¹⁴³ PMG, Portfolio Committee on Rural Development and Land Reform: Farm Worker Issues: further deliberations, 20 March 2012.

¹⁴⁴ PMG, Portfolio Committee on Rural Development and Land Reform: Farm Worker Issues: further deliberations. 20 March 2012.

¹⁴⁵ Portfolio Committee and Agriculture, Forestry and Fisheries: Farm Worker Strike in the Western Cape: update by Departments of Labour and DAFF, 19 March 2013. See comments made by Mr Joe Kgobokoe.

¹⁴⁶ The researcher met with a representative of DAFF and was requested to e-mail questions pertaining to the research to DAFF. Although questions were sent to DAFF's offices on 1 December 2014, the Department indicated only on 15 February 2015 that it would be prepared to respond to the questions, by which time the report had already been submitted to the ILO.

¹⁴⁷ News Flash: February 2013 Nr 3; Cape Agri Employers' Organisation.

felt the AEO had helped him keep up to date with news relevant to employment conditions and labour laws and also offered advice on these aspects.

Level and aim of organisation

With the exception of a tiny minority, most producers belonged to at least three organisations: Agri SA, a commodity organisation (such as Hortgro, Subtrop and the CGA) and their local producers' association. Agri SA generally acts as the mouthpiece of the large-scale commercial farming sector and lobbies government to promote the interests of producers. It also represents agriculture on a number of official bodies such as the National Economic Development and Labour Council (NEDLAC) and the National Training Council as well as on international bodies such as the International Federation of Agricultural Producers and the Southern African Confederation of Agricultural Unions. Agri SA consists of three chambers. Its provincial chamber represents the nine provincial agricultural unions affiliated to Agri SA, such as Agri-Wes Cape and Free State Agriculture. Its commodity chamber represents 28 commodity organisations (whose role is discussed below). Its agricultural business chamber represents the approximately 90 remaining cooperatives.

Agri SA's policy is shaped by seven committees, one being the labour and social welfare policy committee. The committee inter alia focuses on labour legislation, co-operation with the Department of Labour, social security for farm workers, training, employment equity and obtaining priority skills. Agri SA has however pointed out repeatedly that it is not an employers' organisation in terms of the Labour Relations Act. Yet, in spite of making this distinction, about three months before the De Doorns protests, Agri SA and the COSATU met in Johannesburg and agreed to work together to solve problems affecting workers and producers. These included not only the financial and pricing structure of the food and agriculture value chain, but also labour and socio-economic issues facing farming communities, such as the state of farm schools, school transport of farm children, and health services for farm workers. Although Agri SA drafted a protocol on key areas of cooperation which it forwarded to Cosatu, it had apparently not received a reply from Cosatu (Visser, forthcoming).

Most producers interviewed valued their membership of Agri SA. They stressed that it was only through organised structures such as these that their voices could be heard in central policy debates and that positions favourable to their interests could be lobbied. Apart from Agri SA, its provincial branches have taken up area-specific issues on behalf of its members. For instance, during the past few years VrystaatLandbou has played a particularly strong role in terms of land reform and steering its membership through a transformational agenda. Another example was AgriWesCape's role during the negotiation of the De Doorns 2012 protests.

But Agri SA represents a broad church of producers with different political views, which means the organisation's engagement with government requires a balancing act: too far removed, and their influence wains; too close and their independence and the representative role of their membership interests start to be questioned. During the course of this research there was, on the one hand, the producer that felt that "as an individual producer, you have no say, so a bigger organisation has to be there to protect producers interests especially when it comes to the destructive proposals being tabled by government" (Producer and TAU member, Levubu). On the other hand, there was the producer who felt that Agri SA was "conservative, backward and too white Afrikaner-orientated for the country we live in" (Producer, De Doorns).

Commodity organisations

The commodity organisations represent producers within a specific subsector and therefore have a much more defined focus. Commodity organisations have been established largely to fill the gap following the abolition of agricultural marketing boards. The latter used to fulfil vital functions such as doing technical research, market facilitation and development, gathering marketing intelligence and providing market infrastructure. Most importantly perhaps was the fact that they constituted a single marketing channel which meant that they could wield a lot of power in the marketplace. However, in 1997 the sector was deregulated and marketing boards were disbanded. Post-1997 the state also drastically scaled down agricultural research and extension services to the commercial sector. Commodity organisations largely took over the responsibilities of the marketing boards, but are now also conducting research on behalf of their subsectors, given the research gap left by state research institutions. Commodity organisations receive funding to fulfil these functions thanks to a statutory levy that they charge producers in terms of the Marketing of Agricultural Products Act, 1996. While commodity organisations can do generic marketing of South African produce and lobby for greater market access, they are not allowed to do single-channel marketing. The latter is now precluded by the Competition Act. The consequence of this is discussed later.

Most producers prize their membership of commodity organisations highly. They feel that commodity organisations ensure that they stay at the cutting end of new technical innovations, especially as far as new cultivar development is concerned. Another critical service fulfilled by commodity organisations highlighted by producers, is the important role they play in lobbying the state to facilitate access to overseas markets. Lastly, commodity organisations have begun to lobby the state for support on subsector-specific issues. For instance, both the CGA and government have been involved in intense negotiations with the EU to avert a ban on the export of South African citrus to the EU because of citrus black spot. Another example has been the role that the SA Cane Growers' Association and the Sugar Association have played in shaping the Sugar Act and lobbying the Department of Trade and Industry for tariff protections for the industry.

Producers' associations

The majority of producers also belong to their local producers' association ("boerevereniging"). Although considered less important than commodity organisations and Agri SA, producers' associations are important in galvanising local producers around issues affecting them at a district level, such as bad roads and security. In the Western Cape, two key producer informants pointed out that producers' associations disintegrated to a large extent post-1994, but that the November 2012 strike has once again spurred producers into action. "I think there is a greater sense of awareness among us that we have to do something, not only for ourselves, but for the sake of the workers".¹⁴⁸ In some case study areas, local producers' associations acted as an important interface between individual producers and the government at a local and district level. In Ceres and Robertson there were sometimes several producers' associations spread across the area. These were then linked to an umbrella organisation for the area. These umbrella organisations liaised with the municipality on a range of issues. As a key producer stakeholder commented, "In Ceres...the chairmen of the different producers' associations met every third month to discuss a variety of issues. The Police, labour consultants and the housing department of the municipality are also invited." The Ceres

¹⁴⁸ Interview with Anton Smuts, Robertson.

association has for instance lobbied the municipality to establish an agri-village, but so far no land has been found for this project.¹⁴⁹

The need for increased collective bargaining power

Producers are therefore well connected to receive technical support and lobby government and at least three different types of networks closely link them to each other. However, other than Agri SA's attempt to engage COSATU in 2012, little evidence could be found of producers engaging with either workers or buyers, two power blocs that have a major impact on producers' bottom line. It is probably a misnomer to refer to workers as a power bloc, because, as was pointed out in the previous section, so far workers have not been able to organise themselves into a significant collective. The exception was the De Doorns 2012 protest, but to date this seems to have been a once-off event. Producers remain reluctant to willingly enter a bargaining space with workers about wages. Although they are prepared to go through this process at farm level, at this stage they remain unwilling to make industry-wide concessions. To a large extent their reluctance to bargain with workers, stems from the weak bargaining position they found themselves in vis-à-vis buyers, and especially supermarket buyers.

In Chapter 1 the growing power of supermarkets during the last twenty years, both internationally and domestically was discussed. While retailer power has increasingly become consolidated, the opposite has happened to the collective power of South African producers. The state played no minor role in the latter process. After the deregulation of the agricultural sector in 1997, marketing boards were shut down. It also led to the end of the single marketing channel system that previously allowed producers as a collective to negotiate en bloc with powerful retailers. Since then, producers have largely started to compete against each, with retailers encouraging this race to the bottom to get lower prices. As a result prices have eroded over time and have not kept up with input costs. Their lack of collective power to force buyers to the negotiating table means that most producers - especially those in highly labour-intensive industries - are extremely unwilling to make any concessions that might inflate their main costs, namely labour costs.

This relative powerlessness at both the producer and worker level, has led to the stalemate which the authors of The BFAP report (2012) have pointed out. On the one hand, workers cannot survive on a wage of R150 per day; on the other, most producers will go bankrupt if the minimum wage is lifted significantly above R150 per day. The idea that the majority of South African producers have deep pockets and can easily afford to pay higher wages is a fiction: 56.49% of producers have an annual *turnover* of below R500 000.¹⁵⁰ A way out of this dilemma has to be found, preferably without having to cut more jobs, casualise or push producers into bankruptcy.

In Chapter 1 the importance of taking a value chain perspective on the woes of the sector and identifying the blockages that prevent an equitable flow of value down the chain has been stressed. If producers, government and workers collectively fail to take a broader view, they will continue fighting about the "one small sliver of cake" as one industry informant pointed out. The disproportionate value (a.k.a. the biggest slice of the cake) that accrues to international sellers of South African agricultural produce must be tackled. Yet, at the moment South African producers are in a weak position to do so. Instead of positioning themselves to obtain more bargaining power, the

¹⁴⁹ Key producer stakeholder, Ceres.

¹⁵⁰ Stats SA, 2007.

majority of producers have merely tried to roll with the punches. Their main strategy has been to increase their volumes. Yet, pursuing only a volume-driven strategy is counterproductive in the long run, as it leads to an oversupply of markets, which drives prices even lower.

Apart from three producers in the Robertson area, who claimed that they had experienced some measure of success bargaining with buyers, the majority of producers in this study indicated that they were price takers with little power to take on their trading partners. This was especially the case when dealing with British supermarkets about unfair trade practices. Although two major table grape producers in the De Doorns area have attempted to challenge them, one described the effort as “farting against thunder”; the other did not win the battle, but rather exited its trading relationship with the supermarket: perhaps this was rather a cut-your-nose-to-spite-your-face strategy. A well-branded wine producer in the Robertson area found it ironic that although British supermarkets were very particular about how the company should treat its workers, the supermarket itself treated the company unethically.

Two perennial explanations are usually offered as to why South African producers have not yet taken a collective stand against unfair trade practices and low prices by international supermarkets. The first is that South African producers are unwilling to cooperate because, in a deregulated environment, they are each other’s competitors. Key producer stakeholders pointed out that the Competition Act prohibits them from price fixing.¹⁵¹ Yet, within South Africa a precedent has already been created for exemption from the Competition Act: the SASA Council is allowed to set sugar prices for growers and millers. The OECD has remarked that South Africa’s “...standards for exemption are extraordinarily broad, implying that even price-fixing and market division could be excused if they promoted exports, propped up minority businesses, permitted mutual rationalisation to maintain profits, or simply helped firms maintain their traditional competitive positions against each other.”¹⁵² Could more exemptions from the Competition Act – especially on exported produce – enable South African producers to fix farm gate prices at higher levels, enabling them to pay a living wage to workers? “The industry needs something like this if it wants to meet its social commitments. We need to negotiate with the government on that: for Vinpro to negotiate minimum prices that will enable us to absorb a minimum price at farm level,” commented a key producer stakeholder. An official within the Department of Trade and Industry suggested that more commodity groups could lobby government for an exemption of the Act.¹⁵³

Some argue that such a step might be risky: that if South African producers set their prices too high, international supermarkets will simply start to shop elsewhere, such as in Chile and Argentina, South Africa’s main competitors in key agricultural markets. It therefore appears that there is also a need not only to consolidate the power of South African producers as a collective, but also to strengthen the power of Southern hemisphere producers as a collective. Attempts to build collective power at a Southern hemisphere level are already underway: Fruit South Africa, for instance, is a member of the Southern Hemisphere Association of Fresh Fruit Exporters (SHAFFE), an organisation to which all southern hemisphere countries exporting fresh fruit belong. Together, these countries produce 58 million tonnes of fruit and export over 7 million tonnes annually. The point is that SHAFFE, as a

¹⁵¹ Michael Laubscher, chair, SATI

¹⁵² Competition Law and Policy in South Africa, May 2003:22 www.oecd.org. Available online at <http://www.oecd.org/daf/competition/prosecutionandlawenforcement/2958714.pdf>

¹⁵³ Interview with official within the Department of Trade and Industry on 28 November 2014.

collective, represents a massive power bloc of Southern hemisphere producers. The question that arises is why SHAFTE cannot lobby for a living wage for farm workers of all Southern hemisphere suppliers.

Moreover, the double standard of sustained subsidisation of European and US producers while organisations such as the WTO keep preaching the mantra of free trade needs to be taken up again post-DOHA. The real effect of these subsidies is that farm workers in the global South are suffering as their employers try to compete with Northern producers on an uneven playing field. Comments Anton Rabe, CEO of Hortgro: “We need to address things at an international level. There are things that we could sort out with Chile and Australia through SHAFTE and WAPA (World Apple and Pear Association) to address unfair trade practices. We have not yet stood together against the retail. Here the potential to address things is enormous. We are fighting about 25% of the value chain. But what about the rest? The enemy lies beyond the farm gate and that is where we should unlock value.”

Market access

Apart from expanding production to cope with increasing pressure on their bottom lines, producers – at least export-orientated ones - have followed another tack to create some breathing space. Those who previously sold predominantly to British and EU supermarkets have in the last fifteen years increasingly begun to follow another strategy: that of searching for new international markets in order to be less beholden to the powerful EU and British supermarkets. This strategy makes a difference because a wider choice of potential buyers enables producers to claw back some of their bargaining power. Moreover, some of these newer markets require less stringent quality and process standards, making it less costly to implement for smaller producers. Key to this process has been the lobbying of government to help such producers to gain access to new international markets.

Some producers interviewed, feel that government is still dragging its heels in facilitating more market access for South African agricultural produce. Moreover, the fruit sector is still smarting over a “technical error” made by a DAFF official in 2008 which resulted in the department “[missing] an administrative deadline for trade-related inputs for some of its commodities in Thailand”.¹⁵⁴ The upshot was that the Thailand market, a hub for fresh fruit imports in that region, was closed off to producers. According to a SATI report, this closure cost the South African table grape industry more than R335 million in missed export earnings between 2008 and 2011. In 2013, Fruit SA was still trying to regain market access to Thailand for South African table grapes, apples and pears.¹⁵⁵

But market access is not only about striking trade agreements with more countries; it is also about removing tariff and non-tariff barriers to markets. The latter is increasingly becoming an issue for South African producers. Reference has already been made to the EU’s proposed ban on South African citrus imports due to black spot. Explained Elaine Alexander, Deputy Director General: Economic Development, Trade and Marketing of DAFF: “Although we have market access to some countries and [are lobbying them to] reduc[e] tariffs, there are still a lot of phytosanitary and

¹⁵⁴ Business Report, 4 March 2011: Thailand’s ban on fruit exports, department’s error cost SA millions.

¹⁵⁵ South African Fruit Journal, Dec/Jan 2014, p.39.

chemical residue issues and environmental standards, such as the carbon emission of cargo ships that act as non-tariff barriers. Since 2005 we have raised the issue that private standards are becoming non-tariff barriers. Plus, bear in mind that South African producers are not subsidised to the same extent as those in Europe...What we have seen since DOHA is an increase of non-tariff barriers to trade being registered at the WTO.”¹⁵⁶

Section 2.14: Conclusion

This research has tried to point out that the structural pressures faced by the agricultural sector that have impacted on farm workers have not happened in a vacuum. They have happened in a context of a changed retail environment into which producers sell. Over the last fifteen years both international and domestic retailers have increasingly consolidated their power bases and have also raised the bar of private standards that producers have to comply with before they can access these markets. More onerous private ethical standards have not only driven up the cost of production, but have also created trade barriers for smaller producers and newer entrants to farming.

These structural pressures have resulted not only from changes in the retail environment, but also from a changed policy environment introduced by the South African government since 1994. The combined results of decreased subsidisation; the deregulation of the agricultural industry and the promulgation of ESTA – all effected in 1997; the extension of labour legislation to farm workers and the introduction of a sectoral minimum wage in 2003, have all turned up the heat on producers. Most producers interviewed have responded in two ways. Firstly, they have expanded their production capacity to try and counter lower prices. Secondly, to cope with larger volumes, they have not appointed more permanent staff, but have instead casualised their existing workforces in order to curb one of their main expenses: labour costs. Casualisation has obviated the need for more on-farm housing as seasonal workers are increasingly sourced off-farm. Producers have become increasingly reluctant to build on-farm housing due to the high costs thereof, but also because they want to avoid more workers acquiring security of tenure rights to their land.

Within the current policy environment created by the state for commercial agriculture, it is highly likely that labour restructuring will intensify, leading to a knock-on series of adverse effects on labour. The state cannot stand aloof in this process as the consequences of increasing labour restructuring are ending up on its doorstep. More farm workers are increasingly in need of off-farm accommodation; municipalities are struggling to cope not only with housing, but also with infrastructure provision; river systems are under pressure as a result of increased farm expansion, but also because of growing rural towns with ailing sewerage infrastructure that results in waste ending up untreated in rivers. This again has a knock-on effect on producers' ability to export, as polluted water has serious implications for food safety standards demanded by supermarkets.

To alleviate the pressure on agriculture, it is necessary for the state to step back and take a value chain perspective. So far, it has attempted to improve the lives of farm workers involved in the chain by introducing legislation to give them more rights. But there are severe limitations to a rights-based approach that fails to take into account the wider local and global environments in which such rights must be exercised. At more or less the same time that it has extended more rights to workers, the

¹⁵⁶ Interviewed at DAFF offices in Pretoria on 28 November 2014.

state has put increasing pressure on producers, ostensibly to “liberate” agriculture and make it more competitive, as its advisers at the time prescribed. However, the value chain is a *chain*: one intervention cannot be neatly delinked from the other. We are now seeing the results of injudicious state intervention in the chain. The state can no longer afford to stand aloof from this process. Its first priority should be to assist both workers and producers to increase their respective bargaining power. Producers should be given more bargaining power, and more support in general, to negotiate with buyers, but also to join forces with other Southern hemisphere countries on the issue of subsidisation and the need for a living wage for workers to be incorporated into prices paid by supermarkets. At the same time it is equally necessary to facilitate workers’ collective bargaining power because once producers are able to bargain a better deal for themselves, effective worker organisation is critical to ensure that workers also get their fair share.

The fortunes of producers and workers are linked. It is therefore necessary that they try to find linked solutions to their problems, but also temporarily suspend their adversarial positions towards each other to address inequality in the value chain. A good sign is that within both these groups, there are organisations which realise the need for joint cooperation. Following the De Doorns 2012 protest, several initiatives are underway in the Western Cape to start a social dialogue between labour and producers. These initiatives range from those aimed at the local and provincial level to those aimed at the national level. Especially promising has been the creation of a Fruit Industry Value Chain Round Table (FIVCRT), institutionally based within the DAFF’s Directorate of Agro-processing and Marketing, which was established in February 2014. Various government departments (including DAFF and DTI), commodity organisations representing the fruit sector, NGOs and organised labour have been invited to join the Fruit Value Chain Round Table. The FIVCRT will inter alia influence policy and strategy development, contribute to the development of joint solutions to respond to industry crises and provide a platform to jointly address issues of food safety, employment and labour issues as well as jointly advocate for market access and improved trade conditions. Although these initiatives are still only nascent, what is striking is the willingness of some within both the employer and labour camp to negotiate. Industry, workers and government cannot afford to let this energy go to waste. Too much is at stake.

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Act 53 of 2003.	Broad-Based Black Economic Empowerment Act 53 of 2003

Sectoral Determination 13: Farm Worker Sector

Sectoral Determination 8: Farm Worker Sector

Sector Code for Agriculture: AgriBEE, published in notice 1065 of 2012, Government Gazette Nr 36035, 28 December 2012.

ANNEXURE 1

Secondary data

Whilst the Quarterly Labour Force Survey (QLFS) and the Labour Market Dynamics in South Africa (LMDSA) data sets provide considerable data on employment of farm workers at a provincial level and for various categories of agricultural industries (e.g., crop farming), they do not provide information at a locality level or for specific commodities (e.g., apple farming). One of the few agricultural commodity organisations in South Africa that does conduct a survey of labour utilisation and wages on an annual basis is the South African Cane Growers' Association (SACGA). SACGA conducts a survey of a sample of about 300 "large-scale" sugarcane growers¹⁵⁷ out of a population of about 1600. The findings are commodity specific and are presented on a regional basis¹⁵⁸. Growers in the sample may decline to participate in the survey, so there is potential for "self-selection" bias in the survey findings. Furthermore, because the survey population does not include contractors who provide land preparation, planting, harvesting and cane haulage services to sugarcane growers (unless those contractors are also registered "large-scale" sugarcane growers), the survey does not aim to elicit data on wages paid by contractors. In the survey for the 2012/13 season 86 responses were received of which 80 responses were usable. In other words, the survey findings are based on responses received from 5 per cent of large-scale sugarcane growers. Finally, the timing of the survey and the analysis of data results in a considerable lag in the release of this information by SACGA. For example, finding of the 2013/14 season survey will only be released during the first quarter of 2015. Despite these problems, the survey methodology is otherwise statistically sound. Importantly, the SACGA's survey provides useful and relatively reliable information on labour utilisation and wages in sugarcane production that is not available for most other agricultural commodities.

Table A1.1 indicates the average composition of the workforce in sugarcane farming in the KZN Midlands according to findings of SACGA's Labour Utilisation and Cost Survey for the 2012/13 season, i.e., the most recent findings at the time of writing this report. The Midlands data is presented because the Mkhambatini (Eston) case study locality falls within that region. The wage rates reported in the third column are average wages and therefore do not reflect cross-sectional variation in remuneration rates across the sample of farms, or the region as a whole. It is clear that drivers of large trucks and lorries used for haulage of sugarcane to sugar mills are remunerated at well above minimum wage rates. Supervisors, clerks, tractor drivers, loader operators, irrigation staff and chemical applicators are semi-skilled positions of a permanent nature that tend to earn more than general field workers. Harvesting staff are typically employed on a seasonal basis and are paid per task completed, with remuneration per task usually computed as a function of the minimum wage rate and the average time taken to complete a task. Relatively more productive harvesting staff may earn well above the minimum wage, however, relatively less productive

¹⁵⁷ The South African Sugar Industry categorises sugarcane growers as small-scale or large-scale according to the magnitude of production on the growers farms rather than the area under sugarcane. A large-scale sugarcane farm will typically have more than 40 hectares under sugarcane.

¹⁵⁸ SACGA categorizes sugarcane production areas into the following six regions: The South Coast (the cane supply area for the Umzimkulu and Sezela sugar mills), the Midlands (the cane supply areas for the Eston, Noodsberg and UCL sugar mills), the North Coast (the cane supply area for the Maidstone, Gledhow and Darnall sugar mills), Zululand South (the cane supply area for the Amatikulu and Felixton sugar mills), Zululand North (the cane supply area for the Umfolozi and Pongola sugar mills), and Mpumalanga (the cane supply area for the Malelane and Komati sugar mills).

workers, including workers who do not work a full 45 hour week, may earn below minimum monthly wage.

The survey findings reflect that the only category of workers earning less, on average, than the monthly minimum wage at that time (R1503.90 per month) was seasonal field workers, which accounted for 8% of the workforce. Importantly, this does not necessarily imply that seasonal field workers were paid below the legislated minimum hourly wage rate. Indeed, findings of the QLFS and the Eston case study indicate that farm workers in KwaZulu-Natal, and specifically in sugarcane farming, commonly work less than a 45 hour workweek.

Table A1.1: Employment (Full-Time Worker Equivalent Labour Units) per 1000 tons cane on Large-Scale Sugarcane Farms, KwaZulu-Natal Midlands Region, 2012/13 season.

Labour Category	Full Time Worker Equivalent Labour Units per 1000 tons of cane produced	Average Monthly Cash Earnings per month worked	The average monthly cash wage as a percentage of the minimum monthly wage (R1503.90 in 2012)
Drivers	0.37		
HRV/Lorry rig drivers	0.05	R6337	321%
Loader operators	0.10	R2286	52%
Tractor drivers	0.23	R2153	43%
Permanent Field Workers	1.06		
Irrigation staff	0.03	R1769	18%
Chemical Applicators	0.11	R1651	10%
Other field workers	0.91	R1519	1%
Seasonal Field Workers	0.25	R1483	-1%
Harvesting Staff	0.96		
Cutters & Stackers	0.75	R2013	34%
Other harvesting staff	0.10	R1910	27%
Harvesting staff out of season	0.11	R1755	17%
General staff (e.g., supervisors, clerks)	0.20	R3041	102%
Other staff	0.29	R1760	17%
TOTAL	3.12	R1921	28%

Source: SACGA (2014a)

The information presented in Table A1.1 unfortunately pertains to a period prior to the February 2013 revision of the minimum wage. SACGA (2013c) projected that a 50% increase in the minimum wage would result in an increase of approximately 35% in the average wage paid to farm workers on large-scale sugarcane farms.¹⁵⁹ Anecdotal information, however, indicates that many sugarcane farmers have, in lieu of shedding labour, reduced the working hours of some workers, hence, the projected increase in monthly wages by SACGA is likely to be an over-estimate.

¹⁵⁹ SACGA is due to release findings of its survey of employment in sugarcane farming for the 2013 season in early 2015.

The case studies

This analysis is centred on data elicited from surveys of employers and workers during the case studies. An objective of this section is to compare farm workers' wages against the monthly minimum wage, which is computed as the legislated minimum wage of R12.412 per hour (at the time that the case studies were conducted) multiplied by 195 hours per month, i.e., R2420.41 per month for a worker employed for 45 hours per week. As noted in the previous section, remuneration below the monthly minimum wage therefore does not necessarily imply non-compliance with minimum wage legislation if the worker is employed for less than 45 hours per week. The analysis was not conducted based on hourly wages because many farm workers are not paid per hour worked, but rather as a function of hours worked and their productivity. An advantage of conducting the analysis based on monthly remuneration is that it is perhaps most appropriate for comparing workers remuneration against the notion of a 'living wage'. Because the minimum wage is not widely regarded as a 'living wage', wages were classified into wage brackets and colour coded in the tabulated summaries according to the following legend:

Legend

- Yellow: greater than or equal to R4500 per month
- Green: greater than or equal to R3247 per month (R150/day), but less than R4500 per month
- Purple: greater than or equal to R2815 per month (R130/day), but less than R3247 per month
- White: greater than or equal to R2420.41 per month, but less than R2815 per month
- Red: Less than R2420.41 per month for wages in 2014 and less than R1503.90 for wages in 2012.

Eston

Table A1.2 presents a summary of the wage rate information elicited from the Eston case study. Three points that stand out include:

- Many workers on sugarcane farms in the Eston locality work less than 45 hours per week, resulting in many workers earning less than the monthly minimum wage;
- Remuneration rates of unskilled permanent and seasonal workers are commonly based on tasks completed at a rate related to the minimum hourly wage rate.
- Some workers indicated working hours greater than the 'average working hours' indicated by their employers.
- One employer (Farm 5) openly acknowledged that he remunerates some of his workers at below the minimum hourly wage rate. The other four employers perceived that the wages they paid were compliant with legislation at that time.

Table A1.2: Wages of farm workers on surveyed case study farms in the Eston Area (wages highlighted in red below, indicate wages received that are less than the minimum when calculated using according to the number of hours worked per day worked, as reported by workers)

Farm	Reported by Employer: Wage of general farm workers (permanent)	Reported by Employer: Wage of general farm workers (seasonal)	Reported by employer: Wage of semi-skilled farm workers (e.g., drivers)	Reported by employer: Wage of supervisors/Indunas	Reported by workers: average number of hours worked per day	Reported by workers: wage received during last payment period, before deductions
Farm 1	R12.50 per hour	Paid per task, with remuneration set according to on minimum wage (R12.50 per hour).	R12.80 to R41 per hour	R15.40 per hour	9	1: R2500 per month (P) 2: R86/day (P) 3: R95 per day (S) 4: R100 per day (S)
Farm 2	R12.50 per hour	Paid per task, with remuneration set according to on minimum wage (R12.50 per hour).	R12.80 to R20.50 per hour	R12.80 to R20.50 per hour	7	1: R2500 per month (P) 2: R74.94 per day (P) 3: R12 per hour (S) 4: R74 per day (S)
Farm 3	R12.50 per hour	na. (no seasonal workers employed)	R14 per hour to R5000 R25.66/h) and R11 000 per month (R56/hr)	R21.90 per hour	9	1: R86 per day, worked 7 hours per day (worked 9 hours according to workers - see your spreadsheet: hours worked) 2: R10 000.00 3: R2 200.00 4: R86 per (worked 9 hours according to workers)
Farm 4	R12.50 per hour	n.a. (no seasonal workers employed)	R14.45 per hour	R14.45 to R34.68 per hour	7.5	1: R86 per day 2: R2 800.00
Farm 5	R12.50 per hour	R8.75 per hour (R70 per day)	R11.25 per hour or R90 per day	R11.25 per hour	9	1: R90 per day 2: R2 500 per month

Nkomazi: Main Crop – sugarcane

The data in Table A1.3 reflects only data provided by famers. It was not verified by way of an analysis of payslip information for the farm. Note that the average wage of general workers is computed as the product of the average hours worked per day and an hourly wage rate. This is because their wages were linked to their productivity as well as hours worked. Productivity is, however, linked to a wage rate according to the time required to complete the task undertaken. Furthermore, labour absenteeism may result in actual working hours being less than planned working hours. The following points are important:

- The hourly wage rate that underlies the computation of wages of general workers is the minimum hourly wage rate for four of the six farms. The other two farms use an hourly wage rate slightly above the minimum wage rate (R12.67 on farm 4 and R12.48 on farm 6).
- The basic wage rate that underlies the wages of semi-skilled farm workers and supervisors exceed the minimum hourly wage rate.

- Monthly wages of some workers (including semi-skilled workers and supervisors) on three farms is below the minimum monthly wage rate because those workers are employed for less than 45 hours per week.
- Some farmers presented a range of wages per category, reflecting that each category includes a range of occupations for which wages rates differ.

Table A1.3: Monthly wages on case study farms in the Nkomazi locality, 2014

	Farm 1	Farm 2	Farm 3	Farm 4	Farm 5	Farm 6
Average hours worked per day	5.5	7	5.5	9	9	9
General Workers	R1428	R1837	R1481 to R1717	R2469	R2420	R2443.51
Semi-skilled	R1470		R1218 to R2474	R5800	R2550+	
Supervisors	R1680	R2625	R2530	R5000	R3670	

SRV

Permanently employed general workers' pay is linked to minimum rates, and ranged from R2233.80/month (R12.80/hr) (based on 8hr/day, 5 days a week) to R2536.65/month (R14.64/hr) on the five farms in this case study. Supervisors earn between R2700-R3000/month (R15.50 to R17.32/hr) plus production bonuses on some farms. Semi-skilled workers' pay-rates vary according to job type, ranging from close to the minimum wage (R2500/month) to R5200/month (truck driver) (R14.43 to R30/hr). Wage slips were not checked to confirm the information provided by the farmers for this case study.

Levubo

Table A1.4 reports average monthly wages for farms surveyed in the Levubo locality, based on information provided by the employers. Wage slips data was not checked to verify the information contained in the table. The following points are important:

- Due to the timing of the field work, information about remuneration of seasonal workers was not elicited in this case study.
- Information provided on working hours reflects that at least three of the five farms employ workers for less than 45 hours per week. This information is relatively arbitrary, however, as general workers tend to be paid according to a piecemeal rate.
- Farm 4 applied for and received exemption from the legislated minimum wage rate. The wages that underlies the piecemeal rate of general workers on that farm is R11.71 per hour. The other four farms all base their piecemeal rates on the minimum hourly wage rate.
- Farm 3, a small-holder farmer paid general workers at below the minimum monthly wage rate. The employer was unable to provide information on the average number of hours worked per day by his employees.

Table A1.4: Monthly wage rates on case study farms in the Levubu

Farm	1	2	3	4	5
Crop Area	546 ha	321 ha	20 ha	55 ha	344 ha
Hrs/day	7.5	7	No data available	8.25	9
Monthly – GW	R2015/month	R1889 per month; R12.46/h	R1100/month	R2092 per month; R11.71/hr	R2420 per month/ R12.41/hr
Semiskilled	R2600/month	R2507-6044/month	n/a	R2450/month	R3600/month
Supervisors	R3000-4000/month	R2680-6000/month	n/a		R3600/month

Bothaville & Ventersdorp

In the Bothaville area and Ventersdorp areas, all ten producers interviewed provided information about the wages of their workers of their permanent workers. In six cases they also provided either complete payrolls for their staff, or salary slips for the workers interviewed. These documents allowed us to verify the information supplied by workers. We found that workers in a number of instances tended to under-report on their incomes. In such instances, for purposes of the analysis we attached more weight to the written documentation as reliable evidence, and allowed these to overrule the wage and salary figures farmworkers reported verbally in instances where a discrepancy was registered. We highlighted the evidence relied on in such cases in green. An example of this is on Farm D in Bothaville where workers consistently under-reported on their remuneration.

All producers, except one in Ventersdorp [See Farm D under Ventersdorp table below] reported that they paid at least the minimum wage. In the Bothaville area at least 40% and the Ventersdorp area 13% of workers interviewed reported a wage less than the minimum. The wages highlighted in yellow below, indicate that the worker probably have reported his/her wage after the deduction of UIF (given that the reported wage corresponds closely with a 1% deduction from the minimum wages) and is therefore not taken as below the minimum wage. Alternatively these minor deviations could be contributed to a tendency to round off figures to the nearest R100. However, if these possible explanations are discounted, the percentage of workers earning less than the minimum wage will be significantly higher.

Based on the above assumptions and rules applied to the analysis, in the case of Bothaville, five workers seem to be paid less than minimum wage, i.e. 18%. In none of these cases were we able to verify the figures supplied by workers. Three out of the five workers were from one farm, i.e. farm C. Ironically, the wages the producer reported were the highest for the case study. In the case of Ventersdorp, there is only one worker who reported receiving less of the prescribed minimum wage, constituting less than 5% of the sample interviewed. Lowest monthly wages in Bothaville range between R2420 and R2 800, whilst the range in Ventersdorp is marginally lower, to be found between R2400 and R2690. Most workers in both case studies, especially on the maize farms are remunerated at this minimum level, with marginal differentiation reported, either due to longer years' service, or to different responsibilities, e.g. tractor drivers.

At the top end of the scale there is more variation to be found. In the Bothaville case study it ranges between R3 000 and R8 000; and in the Ventersdorp case between R2 400 and R7 000. In both instances, the top of the top ranges were not found on maize farms, but on the so-called boutique farms, where employment figures are much higher allowing for career progression to managerial levels, as well as greater sophistication/specialisation in job demands.

Table A1.5: Reported wages on the Bothaville and Ventersdorp case study farms.

Bothaville	Lowest wage paid to workers – as reported by employers	Average lowest wage per hour	Highest wage paid to workers – as reported by employers	Average highest wage per hour	Wages reported by workers	Wages according to payslips or payroll
FARM A	R112.42/day (R2473.24 assuming 22 workdays/month)	R12,49	R8000	R41,06	1: don't know	1: Member of junior management - wage not entered on payroll
					2: Commission	2: R2424.24 per month
					3: Commission	3: Base flat rate of R1933 with commission on top
					4 : R111/day	4: R2424.24 per month
FARM B	R2430/month	R12.47	R3000/month	R15,40	1: R2430/month 2: R115/day 3: R2475/month 4: R3250/month	
FARM C	R2800/month Plus Free meals per day valued @ R300 per month	R14.37	R4200/month	R21,56	1: R3700/month	No payslips or payroll information available for this farm.
					2: R2100/month [reported minus UIF and a deduction for flour](S)[86% of min wage]	
					3: R105/day [94% of min wage]	
					4: R2200/month (S)[90% of min]	
FARM D	R2420.41/month	R12.42	R4000/month-	R20,53	1: R105/day [94% of min wage]	1: R14.75 per hour; R2 931.77 per month Works shorter hours in wintertime

					2: R11.66/hour [93% of min wage]	2: R12.41 per hour; R2 228.01 per month. Works shorter hours in wintertime
					3: R2100/month [87% of minimum wage]	3: R12.41 per hour; R2 196.97 per month. Works shorter hours in wintertime
FARME	R2420/month	R12.42	R3100/month	R15,91	1: R2430/month 2: R12/hour 3: R105/day 4: R2550/month	No payslips or additional payroll information available
Off-site)					1: don't know 2: R105/day [94% of minimum wage] 3: don't know 4. R2430/month 5. don't know	No payslips or additional payroll information available.

Ventersdorp	Lowest wage paid to workers – as reported by employers	Average lowest wage per hour	Highest wage paid to workers – as reported by employers	Average highest wage per hour	Wages reported by workers	Wages according to payslips or payroll
FARMA	R2430/month	R12,47	R7000/month	R35,93	1: R2800/month 2: R1400/month [58% less than minimum] 3: R2495/month R3900/month]	1: As reported R2270 per month. Grossly under-reported. 3: As reported R4 279.26
FARM B	R2690/month	R13,81	R3260/month	R16,73	1: R2900/month 2: R2600/month	

					3: R3100/month 4: R2700/month	
FARM C	R2420/month	R12,42	R3000/month	R15,40	1: R5000/month	As reported
					2: R2400/month	R2 440
					3: R2200/month	R2 440
					4: R2420/month	As reported
FARM D	R2400/month	R12,32	R2400/month	R12,32	1: R2400/month	Payslip and payroll information not available for this farm
					2: R2400/month	
					3: R2274/month [94%]	
FARM E	R2421/month-	R12,42	R2520/month	R12,93	1: R2400/month	
Off-site					2: R2421/month	
					3: R2400/month	
					1: 2495/month	
		2: 2430 /month				
					3: 2710 /month	
					4: 2400 /month	

Annexure 2

Table A2.1: Case study findings: Provision of financial assistance to workers by their employers

Case study locality	Thirteenth Check	Bonuses	Contribution to Provident Fund/Pension		Funeral Fund Contribution		Contribution to medical Aid	Medical loans
			Permanent workers	Seasonal workers	Permanent workers	Seasonal workers		
WP	Farm 1 Farm 2 (up to semi-skilled) Farm 3 (up to semi-skilled)	Farm 4: 4 bonuses/year linked to merit and performance) Farm 5: 2 bonuses per year for supervisors and semi-skilled workers worth R2000 and R4000. Farm 6: weekly attendance bonus; piece work bonus; end of season bonus. Farm 8: fortnightly attendance and performance bonus; discretionary end of season bonus Farm 11: Production bonus for supervisors and foreman Farm 12: (P): fortnightly long service bonus for permanent workers: (P&S): Discretionary packing bonus and end of season.	Farm 1 Farm 2 Farm 4 Farm 5 Farm 6 Farm 3	None	Farm 4(P) Farm 5 (P) Farm 6 (P) Farm 3 (P) Farm 7 (P) Farm 8 (P&S) Farm 9 (P) Werda (P&S)		Farm 1: Pays R1485/year towards medical costs Farm 9: Pay R10 per week per worker towards medical fees; worker can have money at end of year if unused. Pays hospital costs worth one month's pay. Farm 6: Pays 50% of doctor's fee Farm 7: Pays doctor's fees.	Farm 4 Farm 5 Farm 6 (P&S): Pays 50% Farm 3 (P&S) Farm 7 (P) Farm 11 (P) Farm 12 (employer pays R10/week towards medical costs) Farm 13 (P) Werda (P& S?) Farm 10 (P&S?) Farm 12 (Occasionally)
SRV			All farms	No			Farm 5: The company runs an employee wellness programme. All workers and their families have access to a free on-site clinic. The Waitrose Foundation fund provides a grant that covers all clinic costs. The company has recorded a 5% decline in absenteeism since the introduction of the clinic. Free dental care is provided by a monthly mobile dental clinic. Seasonal workers have access to all company sponsored medical services during the off season as well as when they are at work.	Some farms paid for Doctors visits

Nkomazi			1 farm					
Levubo		Year-end production bonuses are paid by some employers, depending on how good the season was.	1 farm (small family farm): pension scheme.					
Eston			Farm C: A contribution is made for some relatively skilled employees (drivers of big rig trucks)					One farm give medical loans; two farms give medical loans on an ad hoc basis.
Ventersdorp	2 Farms	2 producers pay annual bonuses, depending on the size of the harvest (Farm 2: R4 625 on average, i.e. double salary level); Farm 5: R5 000 - 9 000, i.e. at top of range would be almost 4x monthly salary)	None	None	2 Farms; third makes contributions on an ad hoc basis	None	None	All
Bothaville	2 Farms	None	None	None	1 Farm; 1 farm makes contributions on an ad hoc basis.	1 on ad hoc basis	None	All

Table A2.2: Case study findings: Provision of free or subsidised benefits to farm employees by their employers

Case study	Food rations (as part of pay)	Transport to clinic	Free electricity	Subsidized electricity	Free housing	Free food: continuous	Food rations	Free access to grazing land	Free vegetable gardens	Free work clothing	Free transport to work	Free transport to social events
WP		Farm 12: From time to time Farm 2: Daily Farm 4 Farm 5 Farm 6 (emergency only) Farm 3 (transport not always free) Farm 7 Farm 9 Farm 13	Farm 6 prepaid Farm 4 prepaid Farm 5 prepaid	Farm 1 Farm 3 (S & P) prepaid Farm 10 Farm 9 Farm 12 Farm 8	Farm 1: R1128.75 pm housing subsidy for all workers who live off-site. Farm 2 (P&S) Farm 4 (Bought houses for workers in town) Farm 5 (P) Farm 3 (P&S) Farm 7 (P) Farm 11 (P) Farm 9 (P) Farm 13 (P) Werda (P) Farm 10 (P) Farm 8 (P) Farm 12 10% - Min wage	Farm 1: Chicken Parcels: (R173/month) Farm 2 (P & S)	Farm 8: Grapes occasionally Farm 9: occasionally Farm 12: occasionally Farm 10: occasionally		12 Farms	Farm 2 (P&S) Farm 4 Farm 5 Farm 6 (P&S) Farm 3 (P; S: subsidized) Farm 7 (P) Farm 9 Farm 13 (P) Farm 12 (P; S: Packhouse) Werda Farm 10	All	Farm 1 Farm 2 Farm 4 Farm 5 (once per fortnight) Farm 3 (P&S) Farm 7 (P) Farm 8 Farm 11 (may change) Farm 9 Farm 13 (P) Farm 12 (occasionally) Werda (P) Farm 10
SRV					[Since: 2013] One farm only introduced a 7% wage deduction for on-				Farm 5: Workers are encouraged to join a permaculture gardening project and		The majority of employers provide free or subsidised transport for off-farm workers to	

					<p>farm housing or transport, for permanent workers only, to off-set the wage bill increase. Workers housed on farm have access to free or subsidised housing, water and electricity. Some employers provide free on-farm housing and services, others charge a nominal amount for these.</p>				<p>are given access to training, a gardening plot and inputs. The better than average working conditions on this farm arise from a company social responsibility and employee wellbeing policy.</p>		<p>and from work each day. The standard of the transport is variable. Some employers now make use of coaches, particularly when transporting workers longer distances on good roads. Pack houses in particular make use of large coaches. Many farmers still use tractors and the old flat bed trailers that used to be used for picking fruit. There were a number of complaints from workers about this unsafe, uncomfortable and unprotected form of transport.</p>	
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Nkomazi					Workers living on farm have free or subsidised housing and electricity.						Most farms transport workers living off farm to work and back each day. TSB included a transport allowance sufficient to cover monthly commuting costs into all worker pay packets.	
Levubo				30%: Free or subsidized.	30%: housing is free.							
Eston					2 Farms (rent: 10%) 1 farm (rent: 6%; includes free electricity) 2 farms (free)	Cane harvesting staff do receive porridge and sugar (provided as an energy supplement) whilst working.		No	3 out of 5	2 farms: all workers 3 farms: Drivers and indunas only. 2 Farms give cutters smocks/		
Ventersdorp	4 Farmers provided food, especially maize meal: A: Chickens and eggs at cost price B: 5 liters of milk/week per worker	4 out of 5 farmers provide free transport to doctor/ clinic.				See previous.		No	4 out of 5	All	N.A.	3 Farms

	plus 50 kgs of maize meal per month D: Maize meals (not quantified) E: between 25 kg - 80 kgs of maize supplied per month											
Bothaville	2 Farms. Third Farm: only for night workers.	One farm always provide transport. Three farms provide free transport under certain circumstances	None			See previous.	See previous	3 Farms	2 Farms	All	One farm	1 Farm: 2nd Farm: Mixed reports

Table A2.3: Facilities available to farm workers at the case study farms

Case study	Medical facilities	Visited by gov clinic?	Creche	Other
WP	Farm 10: own on-farm clinic; clinic sister visits twice a week; doctor once a week; subsidized medicine. Farm 12: Namibia farm; registered nurse visits the farm. Farm 9: Social worker (6 hours per month); Farm 7: health worker on farm. Farm 8: trained two women as health workers.		10/14 Farm 1 Farm 2 Farm 4 (also food) Farm 5 (also aftercare) Farm 3 (also food) Farm 8 Farm 9 Farm 12 Werda Farm 10	Farm 1: Training Centre, Cell phone allowance; own social worker Farm 4: Pay school fees of all children; Annual competition with prizes for different categories of worker per year. Farm 8: Solar Geysers; pay for school fees of some children attending Model C school; mentor 6 - 8 farm children Farm 9: Computer room with 7 computers and Internet; maths tutor every Monday for 2.5 hours. Werda: Shares for workers Farm 10: On-farm old age home for pensioners
SRV	Some farms have onsite clinics (fixed or mobile) that provide free medical care to seasonal workers.		The company supports crèche in the township, with free meals provided during crèche hours.	
Nkomazi	None had on site medical care facilities; provide transport to doctor	All farms		
Levubo	All provide workers with transport to government clinics in town.		On one farm, there is a crèche with food provided for a nominal charge.	
Eston	Only two out of five farms surveyed (Farms C and D) provide transport for workers to doctors, when necessary. 2/5 pay for a mobile clinic to provide health care to workers,	One farm relies on gov clinic	None	1. Workers' children get free school shoes and the farm soccer team get free kit and soccer balls; 2. Members of the farm soccer team receive kit and soccer balls.
Ventersdorp	3 of 5 farms provide basic medicine for most common illnesses for free.		1 Farm (also provides food for children)	
Bothaville	Three farms provide free basic medication and one of them also have trained primary health workers.		None	

Annexure 3

Area	Number of evictions: Department of Rural Affairs and Land Reform (DRDLR), Cape Winelands: 2012	Number of respondents who have brought eviction cases, Drakenstein Municipality: 2012	Number of eviction notices received, Drakenstein Municipality: 2012	Number of individuals estimated to be evicted by eviction, Drakenstein Municipality, 2012	Number of evictions, DRDLR, Cape Winelands: 2013	Number of respondents who have brought eviction cases, Drakenstein Municipality: 2013	Number of eviction notices, Drakenstein Municipality: 2013	Number of individuals estimated to be evicted by eviction, Drakenstein Municipality, 2013	Number of Evictions, DRDLR, Cape Winelands: 2014	Number of eviction, Langeberg Municipality (Jan-Sep 2014)	Number of evictions, Witzenberg Municipality (Jan-Sep 2014)
Breede River	16				2			19			
Drakenstein	6	31	91	147	*	11	42	63	5		
Langeberg	3				*			14	6		
Stellenbosch	2				*			0			
Witzenberg	6				6			7		9	
Laingsburg	0				11			0			
Malmesbury	0				*			1			
Overberg	0				*			1			
Swellendam	0				*			1			
TOTAL	33				19			48			
DRDLR: Cape Winelands: % of cases that are legal evictions	97%				100%			94%			
DRDLR, Cape Winelands: % of cases in which a Section 9(2)d notice was received	21%				0%			35%			
DRDLR, Cape Winelands: Percentage of case in which notice of motions received	55%				68%			50%			
DRDLR, Cape Winelands: % of cases referred for legal representation					11%			21%			
DRDLR, Cape Winelands: % of cases where matter is resolved	0%				32%			4%			

