

# ANNUAL REPORT

2017/2018



We develop the South African Agricultural Industry.  
Ons ontwikkel die Suid-Afrikaanse Landbou Industrie.



# CENTRE OF EXCELLENCE

## Labour and Development



Neil Hamman

**Neil Hamman and Renier Snyman served as chair and deputy chair, respectively, with Hendrik Ackermann as additional member. Jahni de Villiers was head of the Labour and Development Centre of Excellence.**

The committee accepted a new strategy which placed emphasis on formulating viewpoints that will improve labour relations in the agricultural sector by being proactive.

### **Sectoral determination 13 (farm workers)**

On 1 March 2018 the minimum wage for the agricultural and forestry industries increased by 5,7%. The hourly wage for the sector is currently R16,25, the daily wage R146,25 and the monthly wage R3 168,73.

### **National minimum wage**

In February 2017 an agreement was signed at the National Economic, Development and Labour Council (Nedlac), which formally set the national minimum wage.

The agreement made provision for a national minimum wage of R20,00 per hour. Agricultural workers were to be paid a minimum of 90% of the national wage (R18,00 an hour), which would increase to 100% of the national minimum wage within two years after a national minimum wage commission had conducted research in this regard.

The rest of 2017 was spent on refining the bill during a Nedlac process, and in November 2017 the bill was published together with the Basic Conditions of Employment Act and the Labour Relations Act for public commentary.

In March and April 2018 various parliamentary hearings were held where Agri SA also had to make an oral presentation to explain the impact of the national minimum wage on the sector. The implementation date of 1 May 2018 was not met and no indication was given of when the national minimum wage would come into effect. Employers were encouraged to prepare themselves for this.

### **Relationship between Agri SA and the Commission for Conciliation, Mediation and Arbitration**

Agri SA signed a three-year agreement with the Commission for Conciliation, Mediation and Arbitration (CCMA). The working relationship covers various outreach initiatives in the agricultural sector, as well as roll-out of the CCMA's training-retrenchment scheme for farming operations under financial pressure. Agri SA was asked to address the CCMA's top mediators on the prospects for wage negotiations this year.

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### **Decent Work Country Programme under the auspices of the International Labour Organisation**

A new programme is being negotiated. Agri SA is providing inputs in this regard via the relevant Business Unity South Africa (Busa) structures.

### **Jobs Summit**

In 2018 Agri SA will participate in the Jobs Summit announced by the president. The respective committees are as follows:

- Small and micro enterprise support;
- Public sector programmes;
- Training and skills;
- Inclusive growth, income and transformation; and
- Economic sector interventions.

The policy head will participate in the Inclusive growth, income and transformation committee.

**Provident fund for farm workers**

Provision for retirement is an important element of the relationship between employers and employees. Absa’s Agricultural Sector Provident Fund again received attention during the year, and the administration of the fund was transferred to Santam. An increase in membership remains a priority.

**Policy level: Development work**

The policy head is a member of the National Economic, Development and Labour Council (Nedlac) Development Chamber and during the year served on the Comprehensive Social Security task team, which focusses on reform of the country’s retirement provision, health care and social grant systems to ensure that these benefit all citizens of the country. No white paper is currently being discussed but the task team’s work continues.

**AgriSETA**

A new era was introduced at AgriSETA with the election of Christo van der Rheede as chair of the board and the re-election of

Neil Hamman as board member. AgriSETA is in the process of appointing an executive general manager.

**Agricultural business management training**

Agri SA offers business management training in conjunction with the University of Stellenbosch. The course was to commence in 2018.

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**Social issues are dealt with by Business Unity South Africa**

During the report year, the committee responsible for transformation and social matters (Socpol) within Busa attended to the following:

- Monitoring of the implementation of amended labour legislation;
- National minimum wage;
- Child labour;
- Appointment of business representatives to statutory boards and feedback on the activities of such boards;
- Decent Work Country Programme (DWCP);
- Unemployment among the youth;
- Education and training;

- Social security and provision for retirement;
- Black economic empowerment; and
- Other transformation-related matters.

**National Economic, Development and Labour Council**

The policy head is a member of the Labour Market Chamber (LMC) at Nedlac. The chamber focusses mainly on labour and social matters. The LMC attempts to facilitate consensus between the government, organised agriculture, organised labour and the business sector.

**Association for Overseas Partnerships and Technical Training ERHR2 training course**

The policy head was selected to attend a two-week human resources and labour relations course presented by the Association for Overseas Partnerships and Technical Training (AOTS) in Tokyo, Japan in March 2018. Only 22 candidates from 17 countries were selected, with only two people from South Africa. The course is very valuable for refining knowledge in this area and the ripple effect of the added value will probably become apparent during the upcoming year.