Fruit pickers to protest as wage deadline nears

No solution in sight to farm issues

Ann Crotty

The Hex River Valley radiant with colour earlier this year before workers set vineyards alight around De Doorns. Further unrest is feared as Tuesday's wage deadline approaches. PHOTO: LEON LESTRADE

FARMWORKERS' organisations were meeting with the SAPS yesterday in an effort to work together to minimise the expected fallout from the inevitable failure of the government to increase the minimum wage by the Tuesday deadline.

While it was unclear yesterday what action would be taken by workers next week, Carmen Louw of Women on Farms told Business Report that workers were adamant they would continue with some sort of protest.

Two mass gatherings have been planned for Sunday, one in De Doorns and the second in Ashton. And there is expected to be a mass stay-away next Tuesday. "We will be led by what the workers want."

Meanwhile, Cosatu has supported the call by Western Cape Premier Helen Zille for the army to be deployed in the province to protect farmworkers. "But for very different reasons, given the murder of farmworkers by farmers' security companies who can only be described as private armies," said Tony Ehrenreich, Cosatu's Western Cape provincial secretary.

The enormous difficulties facing the government, farmers and farmworkers as they attempt to address the problem have been made apparent in a detailed research report that has just been published.

The authors of the report, Margareet Visser of UCT and Stephanie Barrientos of the University of Manchester, refer to the failure of many grape farmers to cope with the growing pressure to meet the demands of the increasingly powerful, and frequently international, buyers.

"In global value chains there is a juggling by the different commercial actors for shares of the value received... [our research] shows that 42 percent of the final retail price is captured by supermarkets, 32 percent goes to distribution, while 18 percent is received by growers (26 percent if packhouses are included).

"While some producers have been able to upgrade, others are under increasing pressure in this tight commercial environment," the authors write.

The report, entitled "South African Horticulture: Opportunities and challenges for economic and social upgrading in value chains", states that between 2007 and 2011 there was a 30 percent fall in the number of grape producers.

"Exit from the industry reflects a combination of downgrading for those producers unable to compete and value chain consolidation for those able to buy up farms.

"Larger producers that have upgraded in the value chain are better able to withstand the vagaries of price and weather, finance investment in new varieties, supply larger quantities to meet supermarket buying programmes, and obtain efficiencies through better downstream linkages in the value chain."

Worker organisations are expected to argue that these larger producers are also better able to afford higher wages.

However, the share of the value chain is no indication of the net margins earned by the various stakeholders after deduction of costs. Farmers complain about the rising costs of meeting the requirements of European supermarkets, which now buy about half of South Africa's table grapes. Rising quality standards, social auditing and new packaging formats involve costs that have to be carried by the farmer.

"At the same time, farmers have faced rising input costs, including fertilisers and pesticides, as well as rising labour costs," the report says. One farmer estimated that the cost of fertiliser had increased from R120 a ton five years ago to R300.

And while seasonal workers appear to have received little in the way of real increases, the increased skill level demanded from permanent employees has seen overall labour costs increase to 52 percent of gross farm income in 2011 from 35 percent in 2000.

Farmers have responded to the situation by continually reducing the number of permanent employees and maintaining a tight control over the costs of seasonal workers.

In 2011 seasonal workers accounted for 80 percent of the total grape workforce, up from 72 percent in 2008. In 2011 the minimum wage for seasonal workers was between R63.80 and R70.20 a day.

The cost of a seasonal worker is comparatively even lower given that the farmer does not incur accommodation or provident fund costs. "While the wages of seasonal workers have only increased in line with the (statutory) minimum wage since 2003, the average gross wage of permanent workers was 30 percent more than the minimum wage by 2010," the report finds.

As the report notes, it is clear that farmworkers should not be treated as one homogenous group.

This is a reality that is likely to further complicate attempts to reach a solution.