

South Africa: Agri SA weighs in to minimum wage debate

South African farmer organization Agri SA has announced it will consult widely in response to proposals for a National Minimum Wage, which local media reports to be in the area of 3,500 rand (US\$246) per month.

The level has been proposed by a panel of advisors set up by Deputy President Cyril Ramaphosa, with local media reporting around half of working South Africans level on wages below the amount.

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The establishment of a national minimum wage has been proposed by South African Deputy President Cyril Ramaphosa. Photo: GovernmentZA, via Flickr Creative Commons

“Agri SA considers the labour force in the agricultural sector of critical importance,” Agri SA’s labor policy committee chairperson Neil Hamman said in a release.

“Whilst labour cost is a major cost driver, a contented labour force is equally essential for optimum production in the sector.

“Compromising the intricate balance between wages and the sustainability of farming enterprises will however result in unintended consequences such as job losses and mechanization.”

He said given the vulnerability of the sector, Agri SA was calling for in-depth research and consultation with all agricultural role-players – particularly those in “drought stricken areas, those who face stiff international competition as well as emerging farmers”.

“Agri SA welcomes the fact that struggling farmers still will have access to section 50 of the BCEA that makes provision for exemptions from ministerial determinations,” Hamman said.

“We also welcome that the fact that the expert advisory committee recommended that lower mean apply to domestic and farm workers, depending on the circumstances.”

He also welcomed the proposed secret ballot before registered unions embarked on strikes.

“Agri SA also seeks active participation in the proposed Decent Work Commission which will be responsible for minimum wages as well as employment conditions and employment equity,” he said.

“Agri SA remains however concerned about the impact on employment and profitability of the agricultural sector and therefore ask that government and the business sector should work together to create a conducive business environment in which businesses and agricultural enterprises in particular can flourish.

“Creating more businesses and ensuring higher productivity and competitiveness should be South Africa’s first priority.”

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