

# **Agri SA**

## **Mediaverklaring / Media Release**

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### **Agri SA se standpunt oor die minimum loon**

### **Agri SA's position on the minimum wage**

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#### **Agri SA se standpunt oor die minimum loon**

“Die 52% verhoging in die minimum loon vir plaaswerkers wat Minister Oliphant vanmiddag aangekondig het, het nie die implikasies daarvan op die landbou en indiensname na behore in ag geneem nie en hou drastiese implikasies vir die landbou en verwante bedrywe in. Dit is veral in die arbeidsintensieve bedryfsvertakkinge waar daar van plaas-tot-plaas nou besluite geneem sal moet word oor watter aanpassings nodig is om kop-bo-water te hou. Struktuuraanpassings is onafwendbaar, veral as hoër brandstof- en waterpryse en ‘n waarskynlike skerp eskalasie in elektrisiteitstariewe in ag geneem word,” sê Johannes Möller, President van Agri SA.

Hy sê dat Agri SA gefrustreerd is dat goeie navorsingsinligting wat aangedui het dat ‘n loonvlak van R104 per dag grootliks onbekostigbaar is, misken is deur die toetreevlakloon tot R105 per 9 uur werksdag te verhoog. Dit is aanduidend dat populêre aandrang op hoër lone groter gewig gedra het as die implikasies daarvan op die volhoubaarheid van die bedryf, insluitend sy vermoë om werksgeleenthede in stand te hou.

Die implikasie van hierdie loonaanpassing in ‘n bedryf waar boere prysnemers en nie prysmakers is nie, veral in internasionale konteks, is nie bevorderlik vir vertroue, vir investering en die instandhouding van die bedryf se bydrae tot voedselsekerheid nie. Dit moet ook bevraagteken word teen die agtergrond van die Nasionale Ontwikkelingsplan – wat onlangs deur die regerende party as sy verwysingsbron vir beleid aanvaar is – waarin die verwagting geskep is dat landbou teen 2030 ‘n addisionele 1 miljoen werksgeleenthede gaan skep.

Navorsing het ook aangetoon dat dit veral middel tot klein boerdery is wat nie hierdie loonvlak kan bekostig nie en derhalwe die transformasieproses in die landbou gaan bemoeilik. Afleggings kan ook tot meer armoede in groter informele nedersettings lei met gepaardgaande sosio-maatskaplike vraagstukke en misdaad waaraan landelike gemeenskappe reeds uitermate blootgestel is.

Wat Agri SA aanbetrif sal die regering saam met rolspelers in die bedryf dringend in gesprek moet tree oor wat nodig is om die bedryf aan te spoor om aan verwagtinge te voldoen asook die faktore wat negatief op die bedryf inwerk, uit die weg te ruim.

Uitgereik deur Agri SA, Direktoraat: Korporatiewe Skakeling

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## **Agri SA's position on the minimum wage**

"The 52% increase in the minimum wage for farmworkers, as announced by the Minister Olliphant this afternoon, has not duly taken into account the implications for agriculture and employment which will have drastic implications for this sector and related industries. This is especially true for labour-intensive sub-sectors where individual farmers will now have to make tough decisions on adjustments to ensure their sustainability. Such adjustments are inevitable, taking into account recent hikes in fuel prices and water tariffs and a likely sharp escalation in electricity tariffs," said Johannes Möller, president of Agri SA.

He said that Agri SA is frustrated about the fact that although research information indicated that a minimum wage of R104 per day is largely unaffordable, it was decided to raise the entry level wage to R105 per 9 hour workday. It is indicative that popular demands for higher wages carried more weight in the decision than its implications on the sustainability of the industry, including its ability to maintain jobs.

The implication of this wage adjustment in an industry where farmers are price takers and not price makers, especially in international context, is not conducive to confidence, investment and the maintenance of the industry's contribution to food security. It should also be questioned against the background of the National Development Plan – as recently adopted by the ruling party as its guiding policy framework - which has the vision of agriculture creating an additional 1 million jobs by 2030.

Research has also indicated that it is especially small and medium sized farmers who cannot afford to pay wages of R105 per day. This will inevitably impact negatively on the agricultural transformation process. Retrenchments will also lead to more poverty in informal settlements and exacerbate the prevailing socio-economic difficulties, including that of crime to which rural communities already highly exposed to.

Agri SA wishes to co-operate with government and other industry players with regard to solutions which will bring the industry on track to meet expectations and also to address factors which impact negatively on the sector.

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