



The World's Largest Open Access Agricultural & Applied Economics Digital Library

This document is discoverable and free to researchers across the globe due to the work of AgEcon Search.

Help ensure our sustainability.

Give to AgEcon Search

AgEcon Search

<http://ageconsearch.umn.edu>

aesearch@umn.edu

*Papers downloaded from **AgEcon Search** may be used for non-commercial purposes and personal study only. No other use, including posting to another Internet site, is permitted without permission from the copyright owner (not AgEcon Search), or as allowed under the provisions of Fair Use, U.S. Copyright Act, Title 17 U.S.C.*

No endorsement of AgEcon Search or its fundraising activities by the author(s) of the following work or their employer(s) is intended or implied.

Agrekon

VOL. 8 No. 3

JULY, 1969

Editorial Committee: A.J. du Plessis (chairman),
Dr. A.P. Scholtz, H.J. van Rensburg and
O.E. Burger
Editor: Dr. A.J. Beyleveld
Technical editing: Q. Momberg

REQUIREMENTS FOR CONTRIBUTIONS

Articles in the field of agricultural economics, suitable for publication in the journal, will be welcomed.

Articles should have a maximum length of 10 folio pages (including tables, graphs, etc.), typed in double spacing. Contributions, in the language preferred by the writer, should be submitted in triplicate to the Editor, c/o Department of Agricultural Economics and Marketing, Pretoria, and should reach him at least one month prior to date of publication.

The Journal is obtainable from the distributors: "AGREKON", Private Bag 144, Pretoria.

The price is 25 cents per copy or R1 per annum, post free.

The dates of publication are January, April, July and October.

"AGREKON" is also published in Afrikaans.

Contents

	Page
I. EDITORIAL	1
II. ECONOMIC TENDENCIES IN THE SOUTH AFRICAN AGRICULTURE	3
III. ARTICLES	
1. An evaluation of the municipal markets as a free market institution in South Africa. J.B. Bester, Chief, Division of Agricultural Marketing Research	6
2. Labour for the production of winegrapes in the Western Province. P.G. Louw, National Marketing Council	12
3. Planning of Minimum Costs – with specific reference to the Pongola irrigation settlement. J.L. Olivier, in collaboration with H.I. Behrmann, University of Natal.	20
IV. STATISTICS	28
V. GENERAL, COMMENTS AND ANNOUNCEMENTS	36

^B_E Labour for the production of wine-grapes in the Western Province* X

by

) P.G./LOUW
National Marketing Council

A. INTRODUCTION

For a considerable time there have been complaints regarding labour shortages in the agricultural industry of the Western Cape. With the rapid growth of industries on the one hand and official policy on the other, this fear is growing. There are, however, no official statistics to support these contentions.

In a study to establish whether shortages exist, it was decided to confine the investigation to *bona fide* wine-farmers. This industry was selected because it is the most important section of the agricultural industry of the Western Cape; it is labour intensive; includes the question of seasonal labour and furthermore wine production is undertaken in areas adjoining cities, in the neighbourhood of semi-urban areas and in rural districts and by producers in all income categories.

The purpose of the study was therefore to determine by means of surveys amongst producers and with available agricultural statistics, whether there is a shortage of farm labourers in the wine producing areas of the Western Cape.

METHOD OF INVESTIGATION

Although censuses and other sources of information were used, most of the information was obtained by means of questionnaires. These questionnaires served firstly to obtain background

information regarding producers and secondly to analyse the labour aspects and the socio-economic situation which is inevitably involved.

Because of the size of the universe it was decided to employ random sampling. The size of the sample was determined by two limiting factors, namely time and cost. To make the sample as representative as possible, taking into account the factors mentioned, it was decided to stratify the universe and to draw a random sample with various subdivisions. As a first approach the main region was subdivided into three areas namely the Central, Border and Outside areas. Within each of these areas *bona fide* wine-farmers were in turn divided into three size groups.

These areas were as follows:

1. Central area ("urban") - this contained farms in the area of the Cape Divisional Council (10 producers).
2. Border area ("semi-urban") - this consisted of the areas under the jurisdiction of the Divisional Councils of Stellenbosch and Paarl, with the main towns Stellenbosch, Paarl, Wellington and Franschhoek (26 producers).
3. Outside areas (rural) - consisting of the areas under the jurisdiction of the Divisional Councils of Piketberg, Tulbagh, Worcester, Robertson and Clanwilliam. This area also includes Vredendal and Porterville as the most important towns (39 producers).

The number of units in the sample were further classified on the basis of the quantities of grapes produced, namely: Stratum A 200 to 400 tons, Stratum B 401 to 800 tons and Stratum C 801 or more tons. To

* Summary of a thesis, „'n Ondersoek na arbeidsprobleme vir wynboere in Wes-Kaapland", for the M.Econ. degree, University of Stellenbosch, February 1969.

restrict the sample, as already stated, to *bona fide* wine-producers a condition was imposed that at least 200 tons of grapes a year were produced and that 50 per cent or more of the farmer's income was derived from wine. Taking into account these conditions the number of units in Stratum A were 32, Stratum B 30 and Stratum C 13.

B. WHITES – OWNERS AND FOREMEN

(a) Owners - The role of the owner is largely that of manager - particularly in the B and C Strata where foremen were employed respectively on 57 and 77 per cent of the farms. Briefly the position of the 73 male owners may be stated as follows:

1. Their average age was 45.8 years and 16 of the 73 owners had received post-matric education – 10 in agriculture (8 diplomas and 2 B.Sc. Viticulture).
2. Of the owners 97.3 per cent were married with an average of 2.89 children per family.
3. The average number of years they had farmed independently was 20. Only 6 had been in other occupations while 85 per cent of the owners were still on the same farms where they started.

(b) Foremen - The duties of a foreman are largely supervisory. He is responsible for the division of work and its allocation to non-White labourers and he must ensure that the work is performed properly. Other less important duties are to drive tractors and lorries. Hand labour constitutes only a small part of his daily tasks, but this varies from farm to farm.

The conditions with which foremen must comply prior to being engaged are, according to the owners, in the order of importance as follows:

1. Practical experience of viticulture.
2. Ability to work with non-Whites.
3. A sense of responsibility as well as soberness and honesty.
4. Suitable training.

INFORMATION REGARDING FOREMEN

1. There were foremen on 34 of the 75 farms; the average number of years in employment was 7.7; their average age was 43.6 years and 79 per cent were married with an average of 3.2 children per family.

2. Seventy one per cent of the foremen had always been employed in agriculture.

3. The average cash remuneration of foremen included in the sample was R1,579.41 a year (R131.62 a month) and the average cash bonus amounted to R258.97 a year. In total a foremen thus received on average R1,838.38 in cash a year (R151.20 a month).

In addition foremen received on average R548.56 a year remuneration in kind (R45.67 a month). This is equal to 23 per cent of their total remuneration. Since 86.5 per cent of the remuneration in kind is represented by housing or lodging, it may be concluded that actual remuneration in kind of Whites constituted a comparatively minor part of their total remuneration. In total the average yearly remuneration per foreman amounted to R2,386.45 (R198.87 a month).

This average total remuneration per year compares favourably with competitive salaries in most other sectors of the economy; particularly if account is taken of the comparatively limited education of most of the farm foremen.

Because of the fairly favourable comparative remuneration, there was with all the farmers in the sample no shortage of White labourers (either qualified or unqualified).

C. COLOURED

INTRODUCTION

Non-Whites have always constituted the greatest proportion of the labour force in South African agriculture. In the Cape Province - particularly in the Western Cape - the work is undertaken mainly by Coloureds. At the time of the 1962/63 seasonal survey it was found that 78.6 per cent of the total number of male labourers in agriculture, in the area covering this investigation, were Coloureds. During the same period the share of Whites and Bantu amounted to 4.9 and 16.5 per cent respectively.

The total non-White labour force (only males and excluding seasonal labourers) on all the farms in the sample was 1,516-1,219 Coloureds, 164 "Permanent Bantu"¹⁾ and 133 "Transkei Bantu"²⁾.

It is not desirable to compare the average number of Coloured labourers per farm since the farmers in the sample do not only possess vineyards. This applies in particular to farmers in the Central and Border areas where large quantities of vegetables are produced and large dairy herds are found, which make comparisons difficult. A further factor which makes a comparison undesirable, is that the relationship between the number of Coloured and Bantu labourers differs from farm to farm.

In wine production there is a positive correlation between the number of Coloured labourers and output. The average number of Coloured labourers per farm in Strata A, B and C was 10.8, 16.2 and 29.9 respectively.

The proportion of Coloureds in the labour force was in the Central area (59.3⁰/₀) much smaller than in the Border area (86.8⁰/₀) and in the Outside area (82.8⁰/₀). This may be ascribed to three factors.

1. Six (60⁰/₀) of the farmers in this area, as against 3 (11⁰/₀) in the Border area and 11(28.8⁰/₀) in the Outside area had a herd of 20 or more dairy cattle. Because of various historical and sociological reasons, the Bantu are better adapted to this branch of farming and consequently they are preferred to Coloured labourers. The fact that the average number of cattle in the Central area was 101.7 per farmer who produced milk, as against 31.3 and 30.3 for the farmers in the Border and Outside areas, accentuates this statement.
2. In the Central area there is stronger competition from the other economic sectors for the services of the Coloureds and at the same time they are offered higher wages. The young Coloureds in

particular who possess better educational qualifications than their forebears and who can earn better wages, are attracted by the other sectors.

3. The sociological progress of the Coloureds plays an important role in the fore-going. The young Coloured wants to be independent and wants to get away from the authority of his parents and their employers and is not inclined to share his wages with his family. In other words his higher level of education causes him to strive towards a higher and independent standard of living - this is not necessarily a conscious striving. It does not mean that this urge is absent with the Coloureds in the Border and Outside areas, but the Central area offers better opportunities to get away from the farms.

INFORMATION REGARDING COLOURED LABOURERS

1. Their average age was 34 years; 62.3 per cent were married (lived together as man and wife) and the average number of children was 3.1 per family. An average of 2.3 sons per farm worked on the same farms where their fathers were employed.

2. The turnover of Coloured labourers is large, since 27 per cent had been employed for less than one year and 70 per cent for less than 10 years on the same farm without interruption. The Coloured labourers preferred by the farmers in the sample are those who are unskilled with some experience in wine-farming, since it takes time to become acquainted with the great diversity of the work.

3. Conditions of service. The contract between the farmer and the labourer is concluded verbally. The conditions are similar with most farmers in all districts and are briefly as follows:

- (a) Housing is provided free; when employed the labourer's family and belongings are transported free of charge and a week's notice is usually required if the labourer wants to leave or is discharged. Usually Coloured labourers are paid weekly at the end of each week. If the labourer has any debts when he leaves, these are taken over by his new employer.

1) "Permanent Bantu" are those who do not have to return to their homelands.

2) "Transkei Bantu" are those working under contract in the Western Cape and who have to return to their homelands after a year.

- (b) When seasonal labour is required, the labourer's family have to make their services available. After one year service a week's leave is usually granted to permanent labourers.

4. During the summer the average working time is 11.5 hours and during winter 8.9 hours a day. Approximately 5.1 days a week are worked during winter and summer, and on average 7.6 working days leave with pay is granted to each labourer every year. The farmer decides when leave may be taken to guard against a shortage of labour.

5. The average cash remuneration of Coloured labourers in the sample amounted to R250.35 a year (81.3c a day)³⁾ and the average cash bonus to R8.75. The average total cash received by a Coloured labourer is thus R259.10 a year (84.1c a day). In addition Coloured labourers receive on average yearly R125.89 remuneration in kind (40.9c a day). This is 32.7 per cent of their total remuneration, of which 44.6 per cent represents housing, 24.3 per cent food and 18.2 per cent wine. The yearly average remuneration thus amounts to R384.99 (R1.25 a day).

D. SEASONAL LABOUR

Harvesting is the most important time when seasonal labour is employed - in the sample this normally lasts from the middle of January to the middle of April. On 71 of the 75 farms the owners recruit the labourers themselves and for 60 of the farms this is done in the immediate vicinity. In the Outside area in particular seasonal labour is not freely available. Sixty six of the farmers employing seasonal labourers could without trouble have engaged more labourers - for them there was thus no shortage.

On average 6.6 male and 13.9 female seasonal labourers are employed on each farm. Male and female seasonal labourers earn respectively R0.96 and R0.70 a day.

The greater average number of seasonal labourers per farm in the Central area (32.3 as against 17.5 and 19.4 in the Border and Outside areas) may be ascribed to the fact that only 59 per cent (as against 87 and 92 per cent in the Border and Outside areas) of the total

number of labourers per farm in the Central area are Coloureds. This, along with the fact that the large dairy herds of the farmers in the Central area keep their Bantu labourers so occupied that they cannot assist with the wine-grape harvest, compels the farmers to employ many seasonal labourers.

None of the farmers employing seasonal labourers experienced a shortage of this type of labour, and in this respect there were therefore no problems.

E. BANTU LABOUR

"PERMANENT BANTU"

They constitute 11 per cent of the total labour force with an average of 2.2 per farm. Since these Bantu are treated in the same manner as Coloured labourers, it is not necessary to furnish further details.

"TRANSKEI BANTU"

On 20 of the farms in the sample "Transkei Bantu" are employed - on 7 of the 10 farms in the Central area, on 5 of the 26 in the Border area and on 8 of the 39 farms in the Outside area. The large percentage of farmers in the Central area employing "Transkei Bantu" is due, as explained previously, to the large dairy herds found on these farms.

Fifteen of the farmers employing "Transkei Bantu" recruit them through a Farmers' Organization, while in three instances the farmers recruit them themselves and two farmers make use of the services of the Department of Bantu Administration and Development.

Besides working with the dairy herds, they do the same work as the Coloureds. Although they have little experience apart from handling cattle, they soon learn. This is facilitated if the owner or his foreman speaks a Bantu language. After gaining experience, the Bantu's work compares favourably with that of the Coloured labourer.

On the 20 farms under discussion 133 "Transkei Bantu" were employed at an average of 6.7 per farm, while 188 Bantu (9.4 per farm) may be employed. In theory there was thus an excess of 55 of these labourers. On none of the farms the maximum number was

3) 308 working days a year.

employed. This, along with the fact that "Transkei Bantu" as labourers may be obtained through negotiation with the Department of Bantu Administration and Development, indicates that there was no labour shortage in this respect.

In cash remuneration the "Transkei Bantu" received on average R20.15 a month (78.5c a day)⁴. Remuneration in kind consists of housing, clothes, milk and meat, meal etc. which in total represents R6.72 per labourer per month (26.2c a day) Their total remuneration was thus R26.87 a month (R1.05 a day).

F. RECOMMENDATIONS

1. INTRODUCTION

Although no shortage of labour existed, it is nevertheless desirable to note the reasons furnished by the farmers themselves for the alleged shortage, since shortages could arise in future if farmers do not pay attention to the needs of their labourers. The reasons outlined in the fore-going part, can now serve as a basis to counter future shortages and the possible solutions can be applied on individual farms where shortages might occur.

It is easy to submit theoretical recommendations. In adapting these proposals, problems could however arise, since the question (if it arises) is always associated with the standard of living of the Coloured labourer and will vary in accordance with changes in the demand and availability of Coloured labourers. Since a change-over from one practice to another does not take place immediately, the period of adaptation will have to be taken into account.

Why Coloureds find other work more attractive; what is to be done to keep them employed in agriculture and the questions which arise from any solutions will now be reviewed under separate headings.

2. CONDITIONS OF SERVICE

To merely increase the wages of the farm labourer, reduce the hours worked, grant more leave and so on, will not succeed. In general the standard of living and

level of education of the rural Coloured labourer are too low to introduce these changes suddenly. If it is actually done, it could even have a detrimental effect sociologically on the labourer.

(a) Wages

Higher wages paid in other economic sectors are given by the farmers in the sample as the most important single reason why employment other than in agriculture is more attractive. Raising the wages of farm labourers create problems however since the producer, because of low productivity is not inclined to raise the wages and on the other hand the labourers do not desire to do more work since the wages are too low and the encouragement is too insignificant.

To break this checkmate position it is necessary to bring wages into relationship with productivity. For this it is essential that the ability of each labourer should be judged separately.

Should the farmer increase the wages of his labourers it is essential that he will raise their productivity at the same time. It is therefore necessary to have a wage scale where wages will increase in relation to productivity. Such a wage system will at the same time serve as encouragement. The more efficient labourer who now moves to urban areas so as to earn more, will remain on the farm since he is remunerated in relation to service and can earn more on the farm.

Since industries can pass the wages of their employees onto the consumers, an increase in wages in agriculture will result in wage increases by industrialists and a vicious circle arises. It is therefore necessary to find a balance between wages of agricultural and industrial workers before a wage increase for Coloured farm labourers will have the desired effect.

In most instances the labourer does not realise what it costs the farmer to remunerate him in kind and he is only interested in the wage in cash. This problem could be eliminated by paying a larger cash wage and the labourer would then pay for all privileges. Difficulties attached to this are that the farmer will be involved in more paper work as well as the danger that the labourer will not spend his money judiciously. It will, however, make the labourer aware of these privileges which

4) 308 working days a year.

he accepts as a matter of course; that these privileges cost even more in towns and cities and that the cash wages paid in urban areas are in fact less than these would appear to be.

(b) Working hours

There is no doubt that the labourer in agriculture works long hours, particularly during summer. By paying him by the hour, the impression that he works longer hours than the man in town without additional compensation could be eliminated. It might even lead to the worker being prepared to do longer hours of work so as to earn more money. The present labour force will thereby be capable of doing more work.

Since long hours are worked mainly in summer, additional remuneration or a bonus (say 10c a day) could be paid, to eliminate the objections to the longer hours.

The average number of days worked during summer and winter is 5.1. In relation to hours worked this is consequently not a factor in the decrease of Coloured farm labourers in rural areas.

3. HOUSING CONDITIONS

Considerable capital is required to provide housing for labourers. Farmers must themselves provide housing since their labourers must of necessity live on the farms and this results in unfair competition between agriculture and industry. Apart from the amount allowed every year in income tax, farmers are responsible to provide houses for their employees while the authorities subsidise sub-economic municipal housing.

Notwithstanding this, houses on farms compare favourably with those in municipal residential areas. There are however instances where better housing is desirable. As a result of the financial burden it is difficult for the farmers to renovate houses or build new ones. To compete with the urban employer, the following might be of assistance to the farmers:

(a) To defray the high cost of building houses the following could be considered:

- (i) Making available loans to farmers for sub-economic housing on the same terms on which such loans are granted to municipalities; and

- (ii) To build suitable houses for farm labourers of which the cost is not too great, plans should be drawn up by local authorities in collaboration with agricultural organizations. The National Housing and Planning Commission in collaboration with the South African Council for Scientific and Industrial Research drafted such plans for houses of farm labourers. According to these calculations a fourroomed semi-detached house could be built at an estimated cost of £450, based on prices in Pretoria during August 1952.

(b) The authorities could by means of legislation establish a better standard for farm houses for non-Whites, by prescribing for example that each house must have at least two or three rooms, that washing facilities of a simple kind must be provided and so on.

By providing better housing farmers can make their workers more content, and it would be easier to keep them or recruit new workers.

4. CONDITIONS OF HEALTH

In 1937 a Commission on conditions of health of farm workers stated that this labour class from the point of view of public health came into closer contact with the Whites than their most intimate friends. It is therefore in the interest of the farmer himself to ensure that his farm workers (and house servants) should visit the existing clinics regularly and it is of great importance that the health services provided by the authorities be utilised.

In addition a travelling clinic could be provided which would call at farms and give advice on health in general, the use of medicines, family planning, eating and drinking habits and so forth. Communal washing rooms could be provided where workers could wash themselves, their clothes and their cooking and eating utensils. At the same time hygienic sanitary facilities could be provided.

Through better health and use of the existing facilities the worker will lead a healthier life which will improve his physical powers and enable him to be more productive. In time the farmer will reap the benefits of these improvements.

5. EDUCATION

The fore-going is closely linked with education. Through better education many questions regarding health can be solved.

To raise the level of education of the non-White farm workers more farm schools should be provided which are within walking distance from all farms. Where farmers themselves still erect and maintain school buildings, these should be taken over by the State or be subsidised. To improve the education of adults experiments can be undertaken with night classes.

Education in these schools should be directed more to agriculture. Apart from lessons in reading, writing and arithmetic, most of the time should be devoted to acquaint the children with the importance of agriculture in the economy and to teach them practical agriculture. This can be done by explaining when, why and how trees should be pruned and water and fertilizer applied. This will develop a sense for agriculture and make them more fit for farm work. Trade schools like Kromme-Rhee should be established in each area. Problems to be faced are the high costs and by what means trained workers can be retained on the farms. A trained lorry driver could for example earn a much higher wage in other sectors of the economy.

Although the question of education directly concerns the farmer it will have to be solved by the State in co-operation with organised agricultural organizations.

6. MECHANISATION

Through more intensive mechanisation labour problems will be lessened, productivity of the worker will rise and costs of production will decline. There is no doubt that mechanisation will lessen labour shortages. This will however only take place up to a certain point after which the farmer will require a given number of workers to carry out the work on the farm - for example pruning, dusting with sulphur, irrigation, tying up of vines, harvesting grapes and so forth. On each farm special circumstances will have to be taken into account. The high cost of the implements required necessitate the economic use of these appliances. The training of unskilled workers to handle these implements is accordingly of the utmost importance.

In amplification of the fore-going it can be mentioned that the vineyards must not be too large nor too small; that the rows of vines must be sufficiently far apart to permit of mechanisation and that other implements must be kept in good condition.

Further to more intensive mechanisation the supply of electric power to agriculture may be mentioned. It is found that in the countries where the greatest progress has been made in agricultural mechanisation - U.S.A. and Britain - rural electrification has developed to the greatest extent. In both countries electric power was an important factor in the solution of labour problems resulting from the growing needs of secondary industries.

A great shortcoming in South Africa is that the electric power provided in rural areas is at present used largely for domestic requirements.

7. GENERAL

Here general aspects which could be of importance in solving labour problems will be considered.

- (a) More attention should be devoted to organised recreation. It does not cost much to arrange sports meetings and film shows which provide entertainment.
- (b) Although it is difficult to improve working conditions on farms, attempts can nevertheless be made to make things more comfortable for the worker under existing circumstances. This can for example be done by providing rubber boots when leading water and rain coats in wet weather.
- (c) By paying medical expenses (and workmens' compensation insurance) protecting workers against hawkers and shopkeepers along with reasonable personal interest in the worker and the welfare of his family, the relationship between employer and employee can be improved. By thus winning the goodwill and co-operation of the worker, it will be easier to retain him on the farm and employ others when necessary.

- (d) Although there are no problems regarding seasonal labour, it is nevertheless important to note that by employing contractors, the securing of seasonal labour is greatly facilitated. Agreement is concluded with a contractor to ensure that a certain number of workers will be on the farm every day. Frequently a contractor undertakes this for a single farm and also undertakes to do the supervising, particularly where a large number of seasonal workers is employed. This system is slightly more expensive but is worth while where many seasonal workers are required.

8. CONCLUSION

In spite of the fact that on the basis of the information obtained by means of the survey there is no actual shortage of labour for wine-farmers in the Western Cape, it is nevertheless important to note possible causes, solutions and problems from which shortages could arise in future. It is important to make provision for the future in good time since changing from one system to another takes time and sociological changes cannot be imposed on the Coloureds in a short time.