

RESPONSE FROM OAK VALLEY ESTATES TO CSAAWU DEMANDS

Oak Valley advises that after months of negotiations with the Commercial Stevedoring Agricultural & Allied Workers Union (CSAAWU), no agreement could be reached despite numerous attempts to reach a fair and equitable outcome. During this period, CSAAWU members engaged in five illegal protests. Oak Valley employs 233 permanent wage earners with CSAAWU representing approximately 28% of employees in the bargaining unit.

CSAAWU demands:

The demands from CSAAWU under dispute;

1. R250 minimum daily wage,
2. Single quarter accommodation to be converted into family units, and
3. All seasonal workers to be made permanent.

1. Response to R250 per day minimum wage demand:

The average wage for permanent employees from 1st January 2019 to 31st March 2019 was R273 per day, including picking bonuses.

The average wage for seasonal employees between 1st January 2019 to 31st March 2019 was R234 per day, including picking bonuses (information received from Grabouw Labour Bureau (GLB), the broker).

In addition, the company provides the following list of benefits at no cost to employees;

- free transport to and from work,
- free transport for school children to and from school,
- rent-free on farm housing with subsidised electricity,
- housing allowance for grade 4+ employees living off-farm,
- 60% subsidised medical costs,
- provident fund company contribution of 10%,
- production bonuses and annual bonuses,
- a funeral fund of R10,000,
- subsidised daily meals for single quarter residents,
- a licensed day-care facility and creche for up to 64 children,
- education bursaries for matriculants entering tertiary education via the Two-a-Day Education Trust,
- computer science centre with free internet access,
- community hall and training centre,
- financial rewards for long-service,
- sports facilities.

These benefits come at great cost to Oak Valley and should be factored into any real wage calculation by CSAAWU.

Oak Valley fully complies with the National Minimum Wage Act for both permanent and seasonal workers. Oak Valley will not enter into wage negotiations with CSAAWU until such time as CSAAWU represents 50% + 1 of employees in the bargaining unit.

2. Response to single quarter accommodation demand:

In 1988, a seasonal accommodation facility was commissioned on Oak Valley. This was built to house people employed on seasonal contracts from the Eastern Cape to assist with the fruit harvest from January to May. After harvest, they would return to their families in the Eastern Cape.

Since then, the population of Grabouw has grown to 108,000 people with 65% living in poverty due to high rates of unemployment. As a result, in 2018, management took a decision to phase out the seasonal accommodation in favour of recruiting labour living in Grabouw town. Team leaders were instructed to recruit seasonal workers from Grabouw, which will undoubtedly have a positive impact on improving the lives of those living in our area and alleviating the effects of poverty. The existing seasonal workers were offered continued employment provided they found accommodation off-farm.

In October 2018, Oak Valley and CSAAWU entered into an agreement regarding who would be eligible to reside in the seasonal accommodation going into the 2019 season and beyond. Both parties agreed to a list of workers, both permanent and seasonal, who could stay on in the seasonal accommodation.

This agreement came after two illegal protests by CSAAWU members following the decision to phase out the seasonal accommodation. It has been brought to managements attention that there are a number of workers currently staying in the seasonal accommodation that are not on this list. The original list contained 39 names. There are 59 workers currently staying in the seasonal accommodation.

Oak Valley requests that CSAAWU engage with the seasonal workers that are not on this list to ensure they find alternative off-farm accommodation after their contracts expire. Their current occupation is in bad faith and outside of the agreement reached with CSAAWU in October 2018.

For those seasonal workers named on the list, Oak Valley undertakes to continue housing them in the seasonal accommodation provided they have active and valid employment contracts or unless they decide to leave upon mutual agreement.

For those permanents named on the list, Oak Valley undertakes to continue housing them in the seasonal accommodation until such time as they leave the company

(resignation, retirement, death or disability) or if they decide to leave upon mutual agreement.

No new employees outside of those shown on the list will be housed in the seasonal accommodation going forward.

It is not Oak Valley's responsibility to provide housing for all its workers. For a large farming unit like Oak Valley, this is an unrealistic expectation. However, Oak Valley will do everything in its power to facilitate the provision of off-farm housing for its permanent employees. We are currently working on a housing project in Grabouw town. Oak Valley has secured 50 plots and there is scope to secure more. We have a waiting list of employees for these houses. The timeline before breaking ground is approximately 3 years from now pending approvals and budget from the municipality.

3. Response to permanency demand:

Fruit farming is seasonal and requires higher levels of employment during the harvest period. The financial sustainability of the industry is reliant upon seasonal changes in the workforce.

We currently make use of a labour broker, who operates in a highly regulated environment and complies with all relevant legislation regarding seasonal contract work. This is common practice in the industry. Once these workers have completed the apple harvest many of them move onto the citrus harvest and enjoy continued employment. The broker, Grabouw Labour Bureau (GLB), currently has 429 seasonal workers working on Oak Valley.

If Oak Valley did not make use of a labour broker, the company would employ seasonal workers on a short-term fixed contract basis. In essence, there is no difference between using a broker or employing workers directly as both would be on fixed contracts. At least with a broker, the workers have an opportunity to move onto other areas harvesting at different times of the year.

Oak Valley has already started the process of reviewing our seasonal contracts to investigate whether any seasonal employees are eligible for permanency on the basis of rolling contracts year after year. We are waiting for information from GLB. We are committed to seeing this process through and will be open and transparent with CSAAWU regarding the status of these seasonal workers. We will also seek legal advice on the issue to ensure we are fully compliant with labour legislation.

Violence and Intimidation

Throughout the duration of the strike there have been several instances of violence and intimidation from CSAAWU members or sympathisers. CSAAWU members have threatened, intimidated and assaulted employees who are not participating in the strike.

Workers have indicated they felt worried about their own safety and that of their families. Many workers want to work, but are scared of being targeted by CSAAWU and its members. They have prevented transport from fetching workers or from entering the vehicles in Pineview and Rooidakke at various pick up points in Grabouw town. Our flower truck has been stoned while on delivery through Grabouw. On 13th May, CSAAWU, in collaboration with a handful of members from the community, sought to block the N2 highway, using mostly school children from Rooidakke to place stones on the road. Striking workers have chanted songs and threatened the safety of our Human Resources Manager. CSAAWU has, on several occasions, not abided by the rules of the formal picketing agreement. Oak Valley urges CSAAWU and its employees to strike peacefully and respect the rights of others. CSAAWU must take sufficient action to prevent their members from engaging in violent and unlawful action.