

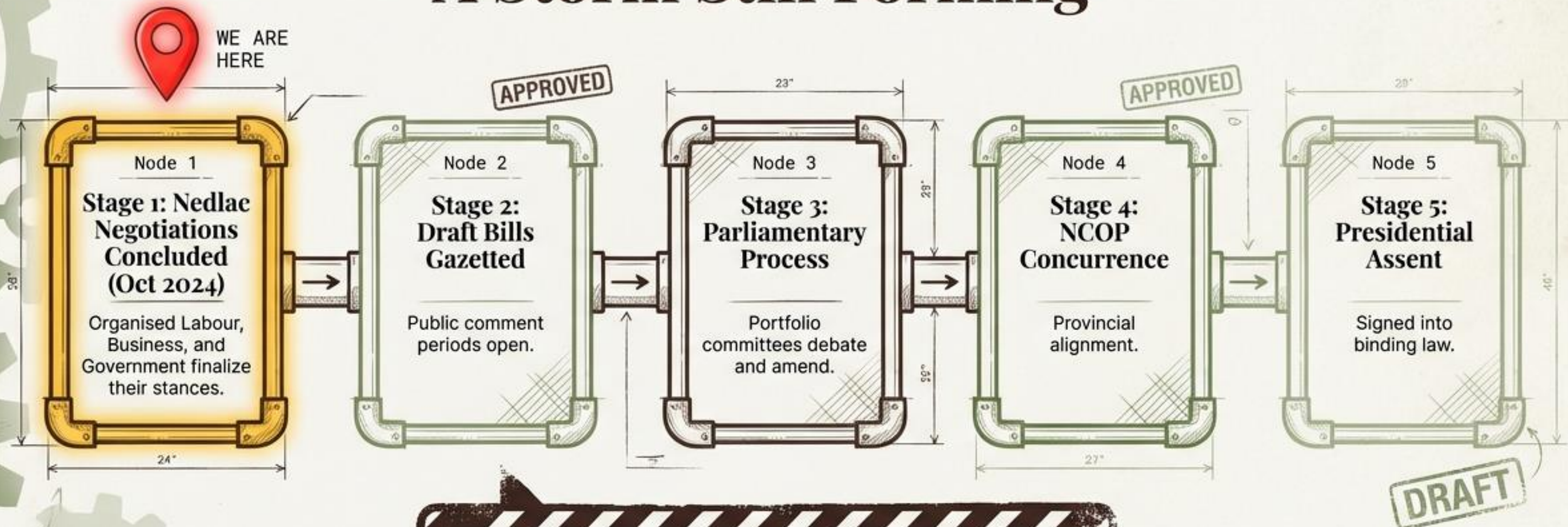


# Forecasting the Farm: Operational Impacts of Pending Labour Law Reforms

Translating the 2024 Nedlac Negotiations into  
Bottom-Line Realities for the Agricultural Sector

Analysis of the Final Nedlac Report  
(April 2022 - October 2024)

# The Legislative Horizon: A Storm Still Forming



**Key Takeaway:**  
These proposals are currently in drafting. They are not finalized acts. We are reviewing them now to prepare the farm for potential landfall, even as the exact path of the legislation may shift.

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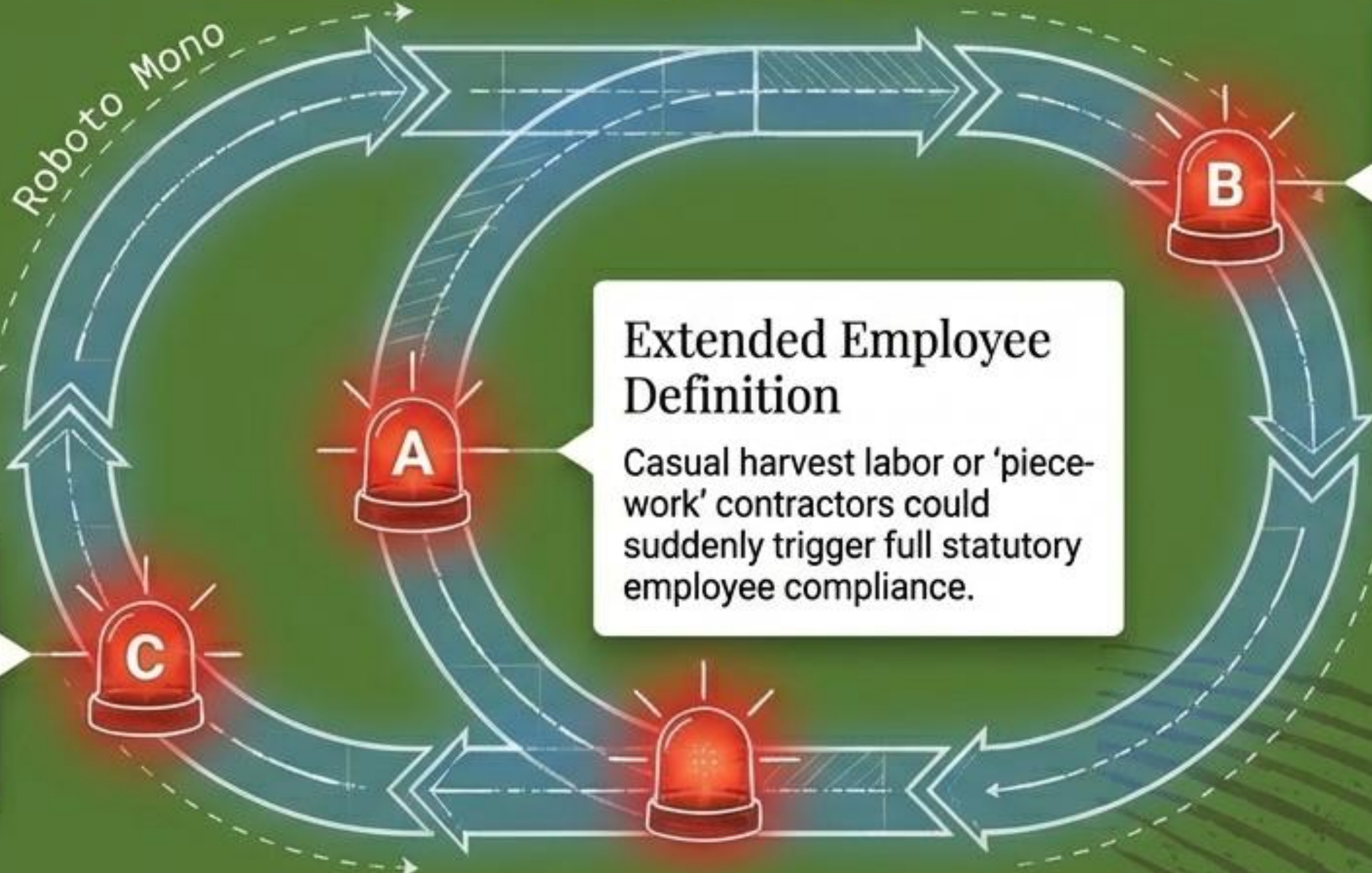
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# The Negotiation Scorecard: Where Business Stood Alone

Proposed Pending Change	Organised Labour	Government	Organised Business
Statutory Severance Pay Increase (BCEA Sec 41)	Proposed 4 weeks	Agreed to 2 weeks (prospective)	✗ REJECTED entirely
'On-Call' Worker Protections (New BCEA Sec 9B)	Proposed 48hr notice & 40hr/mo min pay	Agreed (modified version)	✗ REJECTED (cited existing seasonal provisions)
Extended Definition of Employee (LRA Sched 11 / BCEA Sec 3)	Proposed including non-standard work	✓ Agreed	✗ REJECTED (opposed extension of Act)

# Where the Draft Laws Intersect with the Soil

## 1. Recruitment



**Extended Employee Definition**  
Casual harvest labor or 'piece-work' contractors could suddenly trigger full statutory employee compliance.

**'On-Call' Protections**  
Workers waiting for the rain to stop before picking could trigger mandated minimum payments, breaking traditional 'no work, no pay' models.

**Severance Increases**  
Releasing multi-season workers or shrinking the workforce due to drought could see exit costs double.

## 4. End of Season

## 2. Waiting for Harvest

## 3. Peak Season

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# Threat Ledger 1: The Extended Definition of 'Employee'

## The Draft Proposal (LRA Cl. 47 / BCEA Cl. 2)

- Aims to extend freedom of association, organizational, and bargaining rights to a broader category of workers involved in 'non-standard work.'
- Empowers the Minister to set basic conditions for these newly defined workers via sectoral determinations.

## Organised Business Stance

- Categorically rejected the inclusion of Schedule 11 to the LRA.
- Opposed the extension of the Act to informal/non-standard workers due to overwhelming compliance burdens.

## Agricultural Impact

- Farms rely heavily on fluid, non-standard labor during brief, intense harvest windows.
- Reclassifying casual piece-workers or independent harvest contractors as statutory employees introduces rigid compliance, mandatory union access, and unmanageable administrative overhead for short-term labor.

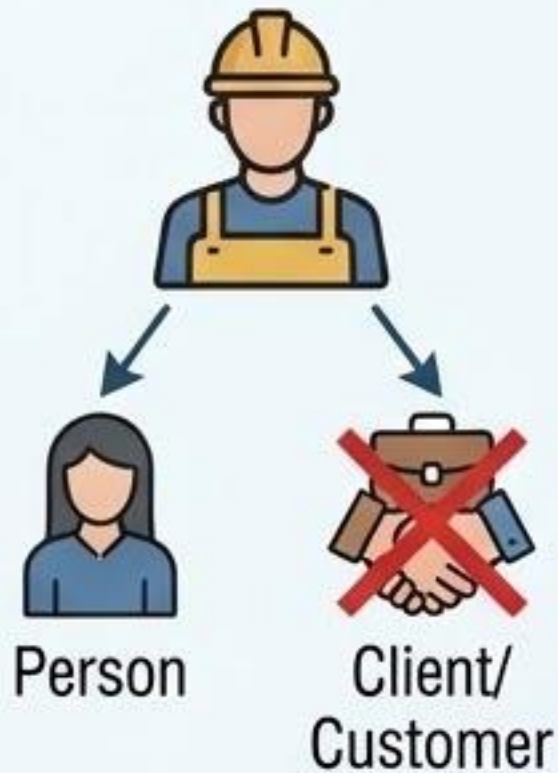
# Amendment of section 2 of Act 75 of 1997

Section 3 of the principal Act is hereby amended by the insertion after subsection (3) of the following subsections:

## (4) For the purposes of Chapters 8 of this Act –

(a)

**'employee'** includes an individual, other than an employee as defined in section 1 of the Act, who **works personally for a person that is not a client or customer** of any profession, business or undertaking carried on by the individual;



(b)

**'employer'** includes **any person or entity** for whom an employee works.



**Chapter 8** of the BCEA relates to Sectoral Determinations

# Threat Ledger 2: 'On-Call' Worker Protections

## The Draft Proposal (BCEA New Sec 9B)

- Labour initially demanded 48-hour advance work notification and a guaranteed 40 hours of minimum pay per month.
- Government accepted a revised proposal targeting employees obliged to hold themselves available for work without guaranteed hours.

**DRAFT**

## Organised Business Stance

- Rejected entirely.
- Argued that the BCEA already contains specific provisions for seasonal employees. Pushing blanket rules creates confusion and ignores the reality of sector-specific determinations.

## Agricultural Impact

- Farming is weather-dependent; harvest schedules change hourly.
- Mandating minimum pay for workers waiting out a rainstorm, or requiring 48-hour notice before a picking shift, destroys the fundamental flexibility required to operate a farm profitably.

# Threat Ledger 3: Doubling Statutory Severance

**PROSPECTIVE ONLY**

## The Draft Proposal (BCEA Sec 41)

- Labour initially proposed increasing severance from 1 week to 4 weeks per year of service.
- Government compromised at 2 weeks per year of service, but explicitly stated it would apply prospectively (only for years worked after the Act commences).

## Organised Business Stance

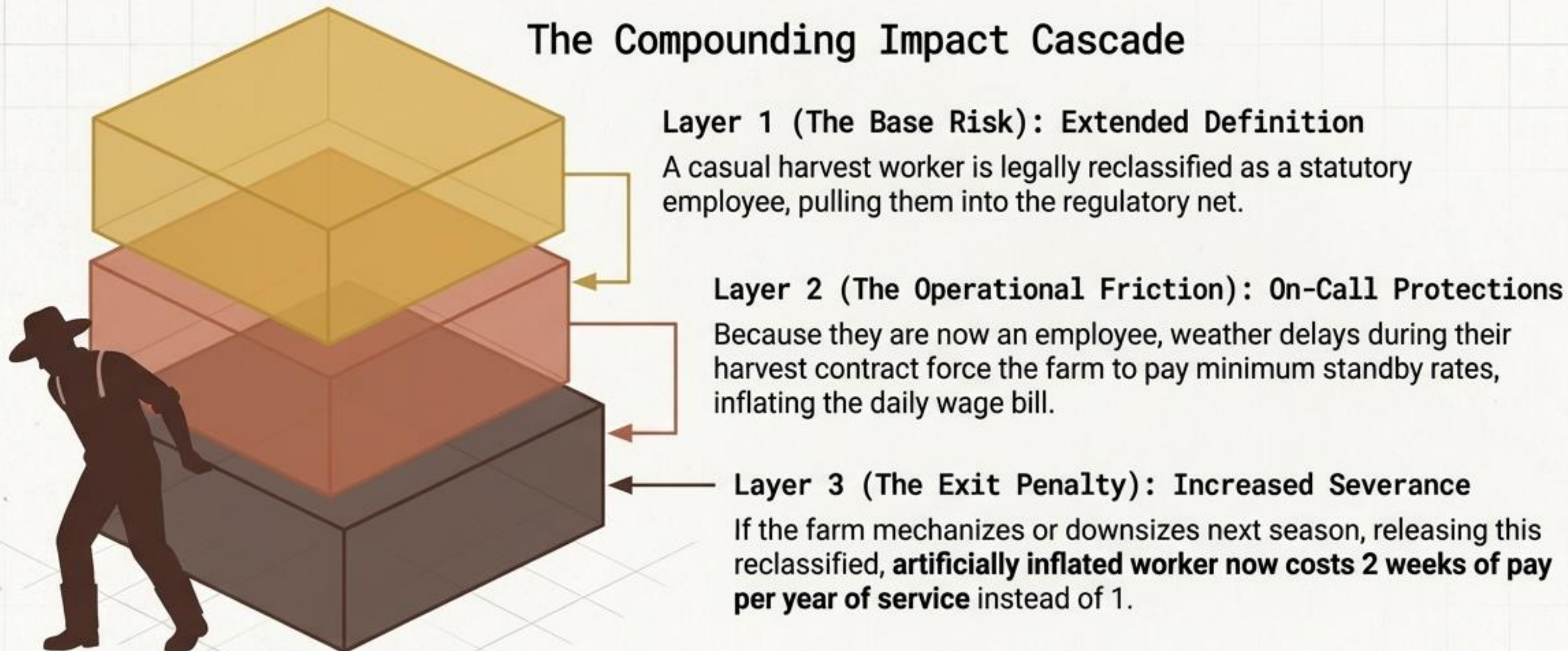
- Rejected any increase to severance pay.
- Argued that increasing exit costs actively disincentivizes new hiring.

## Agricultural Impact

- Effectively doubles the cost of restructuring a farming operation (e.g., shifting from fruit to nuts, or downsizing due to drought).
- Severely impacts long-term workforce planning, turning long-serving seasonal or permanent staff into massive future liabilities.

# The Multiplier Effect: When Draft Laws Intersect

## The Compounding Impact Cascade



Synthesis: These are not isolated clauses. Together, they form a compounding cost matrix that fundamentally alters the risk profile of agricultural labor.

# Seeding the Defense: Farm-Level Preparation

*Context Note: While Organised Business continues to lobby during the drafting phase, operational preparation should begin now.*



## Action 1: Audit Casual Labor Dependencies

Map out exactly how many “piece-workers” and non-standard contractors you use. Calculate the administrative cost if they were suddenly deemed employees.



## Action 2: Quantify ‘On-Call’ Exposure

Review timesheets for the last three harvest seasons. How many hours were lost to weather? Model the financial impact of paying a statutory minimum for those standby hours.



## Action 3: Ringfence Severance Liabilities

Calculate your current severance liability at 1 week per year. Project the financial impact of a prospective shift to 2 weeks for all future years of service.



# The Path Forward

→ **The Storm is Pending, Not Final.**  
These Nedlac proposals must still survive the crucible of drafting, public comment, and parliamentary debate.

→ **Business is Holding the Line.**  
Organised Business categorically rejected the provisions most damaging to agriculture, isolating Labour and Government. This creates leverage for the public comment phase.

→ **Stay Engaged.**  
Ensure your agricultural associations and industry bodies are armed with your farm-level impact data when the Draft Bills open for public comment.

Monitor the horizon. Prepare the ledger.  
Await the final draft.