

Bosman Family Vineyards - Empowering farm workers & future generations



Who is Bosman Family Vineyards?

Bosman Adama, trading as Bosman Family Vineyards, grows and produces Fairtrade certified wines in South Africa. The company, which is owned by the family and permanent employee trust, consists of 447 permanent employees spread over 4 sites in the Western Cape Province. The business has been run by the same family for 8 generations and is deeply invested in the local community and ensuring that their employees and future generations of workers thrive.

Summary

Bosman Adama have taken significant steps to empower their workforce. In the area of education they not only provide a crèche but also primary school after-school care and homework assistance, senior school extra maths lessons and career guidance, assistance with school fees and evening classes for adults. They are unusual in South Africa in proactively planning a scheme to build and hand over ownership of houses to farm workers. They have also given equity share of the business to employees, through a government supported scheme.



This case study has been developed with the support of Co-op as part of Co-op's 2021 'Treating People Fairly Awards' at which Bosman was shortlisted. The awards celebrate excellence in human rights practice, encourage suppliers to learn from each other and inspire new ways of mitigating future threats to worker welfare. Supplier entries were assessed by an independent, expert panel and awards were presented at a Co-op supplier event. Click [here](#) and [here](#) to learn more about human rights at Co-op.



Risk to
action

What prompted the action?

As a result of listening to the priorities of the Workers' Forum (consisting of the Workers' Committee, line managers and Fairtrade Premium Committee), and with an understanding of the local economic context, Bosman has decided to focus significant activity into empowering workers to shift out of generational poverty, to be more self-sufficient and stable economically, through ownership of their own homes. They are committed to the next generation being equipped to be able to make a significant contribution to the farm in a variety of roles, not just in picking grapes, but in more senior and technical roles and also to contribute to the economy beyond the farm. They are focused on ending the antiquated feudal system and facilitating home ownership and its accompanying freedom, responsibility and accountability.

The lack of affordable housing in South Africa is a huge issue, with the housing backlog reportedly at 2.3 million houses. The public sector provision simply can't keep up with demand. Traditionally farm workers have been given accommodation on farms but without ownership. Often farm houses are overcrowded with 3-4 generations in one home. Because government funding schemes have so far proved ineffective or insufficient, Bosman is proactively seeking solutions to empower workers to own their own home.

Land rights and equity share are very significant and volatile issues in South Africa. Government guidance is unclear but what is clear, is the need to make ownership more equitable towards previously disadvantaged groups. Bosman has responded to that clear need.

Context

This case study focuses on four key areas of activity, within the context of the company's wider social and environmental activities. The family business is deeply committed to the wellbeing of the community and to the ability of their employees to thrive, including their children and families. They have developed many resources and activities for the employees. The most significant has been the pre-school and the transport system for the community to access the school, clinic and social events but they have also provided a library, various clubs and activities (including sports teams and choir), a counselling office with trained social auxiliary worker and assistance with treatment for substance abuse. The social clubs include training on marriage counselling, parenting, trauma recovery and skills development eg sewing classes to develop parallel income streams. The community centre clinic is staffed by a full-time trained health worker and supported by trained healthcare workers, responsible for supplying chronic medication (eg HIV/Aids, diabetes and TB), checking up on outpatients and attending to minor work injuries.

Over the last 5 years there has been close to a £1million investment into social development, from Fairtrade Premiums, Bosman Trust distributions and from Co-op.

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Taking action

Education

- Bosman has provided a crèche for many years, for children from ages 7 months to 6 years. About 70 children are taught by trained teachers and assistants, supported by the Pebbles Project. This has been running for 15 years.
- In recent years they have recognised the need to evolve their approach to support children right the way through their education. So now, the after-school programme in the afternoon also brings in the primary school children of Bosman employees from Grade R to Grade 7, which includes homework supervision and remedial assistance where required.
- In the later part of schooling, Grade 9-12 learners are supported with extra maths lessons after school and with subject and career choice through psychometric testing, which was initiated in 2020. School leavers are supported to apply for further education.
- School fees for primary and high school is subsidised by 50% Fairtrade funding, partnering with parents to make education more accessible.
- Evening classes and distance learning programmes for adults are also part supported by Fairtrade funds, which includes literacy classes and courses to further their studies, to assist in their current work role or to gain promotion.

Covid

- Regular delivery of food parcels were delivered to employees and their families.
- Organised mass vaccination days at the local health centre, which is subsidised by Fairtrade funds. Bosman provided transport for employees, their families and the elderly to be vaccinated.
- When government schools were closed in response to Covid outbreaks, they implemented extra classes as part of the aftercare programme for their workers' children. When schools ran on alternate weeks to accommodate social distancing, they extended the aftercare programme to keep the children stimulated and up-to-date.

Housing

- There are 140 houses on the farm and 2 apartment blocks, the second of which was built in 2017 in the local village, to alleviate the housing shortage on the farm.
- In 2021, a housing audit was completed to assess the needs of the community and to assess possible next steps.
- A new scheme is in process to build and facilitate employees to purchase and own their own homes in the village. Plots of land are currently being considered for purchase.
- The farm aims to hand over house keys to 100 families by 2050. In 2021 they were in process of buying land and building the first 11 houses, with plans to buy plots for 13 more in 2022 and build those in 2023.
- A sub-committee which includes worker representatives are working on developing a financial model to enable ownership, through the combination of government funding, Fairtrade funds, Bosman Trust funds and bank financing. The financing is carefully worked out to be accessible and also sustainable. Bosman takes the employee's share as security and loans them money, and the bank also gives a loan on favourable terms, with the Fairtrade Foundation and the shareholders' trust contributing money annually.
- The sub-committee have set out criteria for applicant home owners and rules for ownership and they decide who is allowed to buy a house. The new home owners are not allowed to sell their house for a period of 10 years.
- This is gradual, long term work that requires much collaboration and patience but that will certainly make a massive difference to the employees, their families and their futures.

Land reform/ ownership

- Equity share schemes (ESS) are an intermediate form of land reform, where land is not directly transferred but the government grant is used to purchase ownership rights to an existing company that owns land. Rather than breaking up the actual farming unit, ownership is divided between owner and workers. The government makes a fixed amount of money available per worker which is used to buy shares in the company. These shares give workers a right to dividends as well as decision-making power.
- In 2008 the Bosman family set up the Adama Trust, enabling 260 qualifying farmworkers, previously excluded from the economy, to become co-owners of the business. Each employee who had worked for more than 3 years and all retired workers were eligible to receive one share, through a government empowerment scheme, and all those eligible took up the opportunity. All 260 employees were given comprehensive training on finances and management to empower them to understand the project before it was implemented.
- Today it is still the largest land reform deal in the South African Wine Industry.
- In 2021 the value of each share was R260,000. All shareholders get dividends every year and they can leave their share to their children in their estate.
- New employees who have worked for Bosman for 4 years are given a part dividend annually and if they have worked for the business for 8 years they qualify for a full dividend.



The family business is deeply committed to the wellbeing and thriving of their employees, their children and the community.

Outcomes

- The business has benefited from a more engaged and committed workforce, resulting in low staff turnover, which means skills are retained.
- As the business has grown, the workforce has benefited by being able to take up opportunities for promotion to more skilled positions.
- The community has benefited through economic empowerment, permanent job creation, improved health and transport.
- Bosman has received a good level on their 'Black Economic Empowerment' (BEE) score card, which is a South African government scoring system for companies, to show how effective they are being at empowering previously disadvantaged groups. A good score provides growth opportunities.
- There has been a significant increase in the matric pass rate due to investment in foundation phase education, after-care and extra mural activities.



Lessons learnt

Bosman feels that their learning has included the following:

- The employer creates the opportunity to realise the latent potential of the workers, which in turn benefits both parties.
- Loyalty of employees is worth investing in, and does bring increased commitment and productivity but also is a long term investment that might only bring dividends in the future.
- A productive and effective partnership requires mutual trust and a commitment and contribution by both parties.
- Big shifts to the business such as land reform, need to make business sense and must make farming operations more productive.
- Continuous social development improves the long term success and sustainability of the business.



What makes this a leadership approach?*

Proactivity

Seeing the serious crisis in housing for farm workers in the nation, Bosman decided to be proactive and work out a funding model for building and handing over ownership of houses. This is extremely unusual in South Africa.

They were also proactive in their approach to equity share. Many businesses are waiting for clear guidelines from the South African government on exactly how land reform and equity share should be implemented, but Bosman decided not to wait for that, but to proceed with a model that worked for them and their employees.

Ownership

Bosman has taken ownership of issues that some farms would consider beyond their responsibility such as healthcare, social work, after-school care and housing.

Partnership

The basis of all of Bosman efforts is a genuine commitment to partnership with their own workforce, seeing them as valuable and important contributors to the thriving of the business and the community. They truly believe that the business cannot succeed into the future without committed, enthusiastic and empowered employees and this impacts the way they run and even own their business.

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* Key behaviours that Co-op champion are proactivity, ownership and partnership. Click [here](#) to learn more about Co-op's supplier engagement programme. Co-op's 'Supplier's Guide to Ethical Trade' sets out the standards suppliers are expected to meet.