



WEEKLY LABOUR BULLETIN

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COMMON PROCEDURAL MISTAKES THAT LEAD TO LABOUR DISPUTES: PART 1 - EMPLOYMENT CONTRACTS

INTRODUCTION

Many labour disputes in the agricultural sector arise long before any disciplinary action or termination takes place. In many cases, the root cause of the dispute can be traced back to the employment contract itself. Employers who fail to properly regulate the employment relationship from the outset may find themselves facing unnecessary disputes regarding the status of employees, conditions of service, and termination rights. This bulletin highlights some of the most common mistakes relating to employment contracts and how they can be avoided.

FAILURE TO ISSUE WRITTEN CONTRACTS OF EMPLOYMENT

One of the most common mistakes made by employers is failing to provide employees with written contracts or written particulars of employment. Section 12 of the Labour Act, as read together with section 22 of S.I. 41 of 2022, requires employers to provide employees with written particulars setting out the terms and conditions of employment. These particulars should clearly cover:

- The nature of the employment relationship;
- The employee's position or job title;
- Rate of pay;
- Hours of work;
- Leave entitlements; and
- Other applicable conditions of service.

Where employment terms are not reduced to writing, misunderstandings frequently arise regarding wages, working hours, benefits, and other conditions of employment. In the absence of proper documentation, disputes often become difficult to resolve because there is no clear record of what was agreed between the parties. Employers should therefore ensure that every employee receives a written contract or written particulars of employment at the commencement of employment.

INCORRECT EMPLOYMENT CONTRACTS USED

Employers in the agricultural sector have several types of employment contracts available to them (see the labour bulletin on [contracts of employment](#)). However, disputes often arise where employers use a contract without fully understanding its legal implications.

Different forms of employment carry different rights and obligations. Selecting the wrong type of contract can create uncertainty regarding the employee's status and may expose the employer to unnecessary legal challenges. Before engaging employees, employers should consider the nature of the work to be performed and ensure that the contract used accurately reflects the employment relationship and resulting remuneration/benefits intended by the parties.

MISUSE OF FIXED-TERM CONTRACTS

The use of fixed-term contracts remains one of the most common causes of employment disputes in the agricultural sector. The agricultural industry is regulated by various statutory instruments that restrict the circumstances under which fixed-term contracts may be used and limit the period for which they may be renewed (see the labour bulletin on [capping off](#)).

Problems often arise when employers repeatedly renew fixed-term contracts for employees performing ongoing work over extended periods. Such practices may result in disputes regarding the true nature of the employment relationship and the employees becoming permanent as stipulated in the capping regulations.

Employers should therefore familiarise themselves with the applicable capping regulations and ensure that fixed-term contracts are only used where they are legally permissible and in the manner stipulated by the law.

PRACTICAL TIPS FOR EMPLOYERS

To minimise the risk of labour disputes:

- Ensure every employee receives a written contract or written particulars of employment.
- Use the correct type of employment contract for the work being performed.
- Review fixed-term contracts regularly to ensure compliance with applicable regulations.

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- Keep signed copies of all contracts on file.
- Seek advice where uncertainty exists regarding the appropriate form of employment contract.

CONCLUSION

Many labour disputes can be prevented by properly regulating employment relationships from the beginning. Clear written contracts, correct classification of employees, and compliance with the rules governing fixed-term contracts provide a strong foundation for a stable employment relationship and significantly reduce the risk of future disputes.

Disclaimer: This article is issued to serve as a general guide to farmers and does not substitute legal advice that may be required to address a particular situation with peculiar circumstances.

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