

## CAMPAIGN ANALYSIS: CIW CAMPAIGN FOR FAIR FOOD & SFA “DINE WITH DIGNITY” FOOD SERVICE CAMPAIGN

**1. Farmworker Poverty and Human Rights Abuse** - Farmworkers who pick tomatoes for the corporate food industry are among this country’s most exploited workers.

**Details:** In a 2001 report to Congress entitled *The Agricultural Labor Market - Status and Recommendations*, the US Department of Labor called farmworkers “a labor force in significant economic distress.” The report cited farmworkers’ “low wages, sub-poverty annual earnings, (and) significant periods of un- and underemployment” to support its conclusion, adding that “agricultural worker earnings and working conditions are either stagnant or in decline.” In its *Profile of Hired Farmworkers, A 2008 Update*, the US Department of Labor found the level of “poverty among farmworkers is more than double that of all wage and salary employees.”



Tomato pickers in Florida’s fields labor in sweatshop conditions every day, including:

- **Sub-poverty wages** – Tomato pickers make, on average, \$10,000/year;
- **No raise in nearly 30 years** – Pickers are paid virtually the same per-bucket piece rate (roughly 45 cents per 32-lb. bucket) today as they were in 1980. As a result, workers must harvest over twice the number of buckets per hour today to earn minimum wage as they did in 1980. At today’s rate, workers have to pick over 2 ½ TONS of tomatoes just to earn the equivalent of Florida minimum wage for a 10-hour workday;
- **Denial of fundamental labor rights** – Farmworkers in Florida have no right to overtime pay, even when working 60-70 hour weeks, and no right to organize or bargain collectively.

In the most extreme cases, workers face conditions that meet the stringent legal standards for prosecution under modern-day slavery statutes. Federal Civil Rights officials have prosecuted seven slavery operations – involving a total of well over 1,000 workers – in Florida’s fields since 1997. One federal prosecutor called Florida “ground zero for modern-day slavery,” while then-President Bush traveled to Tampa in 2004 to declare human trafficking “an affront to the defining promise of our country,” citing the case of a young Guatemalan woman “forced to work without pay in the tomato fields of central Florida.”

**2. Role of the Corporate Food Industry in Farmworker Poverty** – Retail food industry leaders such as Wal-Mart, Kroger, Aramark and Sodexo play an active role in creating the unconscionable conditions in Florida’s fields. These massive corporations are able to leverage unprecedented purchasing power to demand ever-lower prices from their tomato suppliers. This in turn puts a strong downward pressure on farmworker wages and working conditions, as tomato suppliers squeeze their diminishing profits from their workers in order to meet the volume discounts demanded by their corporate clients. As such, farmworker poverty feeds retail food industry profits.

Indeed, while we may think of farmworkers as part of a discrete agricultural industry, they are in fact part of a much broader – and increasingly integrated – food industry. The consolidation of market power in the retail end of the food industry – the result of the explosive growth of supermarket, food service, and fast-food corporations over the past three decades – draws profits to the top and impoverishes those who toil on the farms where our food is grown and harvested.

**Details:** Workers are not alone in criticizing the retail food industry’s pricing strategies and the impact of those

strategies on farmworker wages. A May 2005 article published in the produce industry journal *The Packer* by a tomato industry re-packer (a form of middle-man between the fields and the retail sector) describes in detail how corporate food industry demands for lower prices are passed on to farmworkers in the form of wage cuts, citing the example of Burger King's demand at the time for lower tomato prices. (*Big Fast-Food Contracts Breaking Tomato Re-Packers*, <http://www.ciw-online.org/images/Packer2005.pdf>).

An October 1998 New York Times article detailing the merger of the Kroger and Fred Meyer supermarket chains – a move that made the resulting Kroger corporation the second-largest grocery retailer in the country by volume behind Wal-Mart – stated: “The acquisition gives Kroger the status of the leading chain... (and) also gives Kroger even greater purchasing power.” Following the merger, Kroger CEO Joseph Pichler described the company in these terms: “As the nation's largest food retailer, we will generate substantial economies of scale and increased purchasing power. And we will achieve significant cost savings.”

The leading food service providers work closely with GPO's (*Group Purchasing Organizations*) to leverage purchasing power to reduce costs on inputs and ingredients. Aramark states on its Educational division website, for example, “Our buying power and vendor relationships maximize choices and minimize procurement costs.”

Further evidence of the squeeze by major corporate buyers – and its consequences for farmworkers – is found in the 2004 Oxfam America report *Like Machines in the Fields: Workers Without Rights in American Agriculture*. The report cites a significant shift in an important economic indicator, known as the “marketing spread” (defined as the disparity between the price a consumer pays for a product and the price received by the grower). Oxfam reports that, “whereas in 1990 grower-shippers received 41% of the retail prices of tomatoes, by 2000 they were receiving barely 25%.” The study goes on to conclude, “squeezed by the buyers of their produce, growers pass on the costs and risks imposed on them to those on the lowest rung of the supply chain: the farmworkers they employ” (<http://www.oxfamamerica.org/art7011.html>).



### **3. Agreements with Food Industry Leaders Offer A Way**

**Forward** – In 2005, after a 4-year national boycott by farmworkers and their student, youth, religious, human rights, and other allies, the Coalition of Immokalee Workers (CIW) reached an historic agreement with Taco Bell to address the ever-deepening poverty and degradation of farmworkers in Florida. To date, six industry leaders – Yum Brands (parent company of Taco Bell), McDonald's, Burger King, Subway, Whole Foods Market and food service provider Bon Appétit Management Company have committed to working with the CIW to directly improve farmworker wages and working conditions.

**Details:** The six agreements establish a model whereby the immense market power of these corporations is harnessed toward reversing the damage done over the past several decades to farmworker wages. Through the agreements, the major tomato purchasers also demand an end to human rights abuses – including modern-day slavery – in the operations of their Florida tomato suppliers. Taken together, these agreements establish the following principles:

- Major purchasers must share the cost of creating a supply chain that does not exploit farmworkers. The agreements commit the aforementioned corporations to pay at least one penny per pound more for their tomatoes, with at least one penny per pound passed directly as a pay raise to the workers who pick those corporations' tomatoes, as monitored by a reliable third party. This nearly doubles the going piece rate when workers pick tomatoes being purchased by these corporations;
- Supply chain transparency and a verifiable zero-tolerance policy for modern-day slavery;
- The right for farmworkers to participate – through the CIW – in the development and implementation of an enforceable code of conduct, including an effective avenue for worker reports of violations, thus

- allowing workers to play an ongoing role in the monitoring and protection of their own rights;
- The development of a third-party mechanism to carry out the same monitoring and investigative functions at the industry level – one that can be easily expanded to include the participation of other Florida tomato purchasers. Retail food corporations that participate in the third party monitoring arrangement would agree to defined consequences in the event that a supplier is found in violation of the code.

**4. Beyond Fast-Food: Expanding and Deepening Gains for Farmworkers** – Today, the four largest fast-food corporations in the world – Yum Brands, McDonald's, Burger King and Subway – are firmly in support of the the principles of the Campaign for Fair Food. In the supermarket industry, Whole Foods Market has set a precedent by agreeing to work with the CIW to raise farmworkers' wages and develop domestic fair trade standards for tomatoes and other produce. And in the food service provider industry, Bon Appétit has set the standard for others to follow. Today, therefore, we turn our attention to leaders in the supermarket and food service provider industries that they may also also embrace these same principles and expand and deepen the human and labor rights gains made by farmworkers thus far through the Campaign for Fair Food. The commitment of additional large tomato purchasers to these principles, furthermore, will only hasten the collapse of the current resistance to the agreements being mounted by elements within the Florida Tomato Growers Exchange.

Some of these major purchasers include leading grocers such as Wal-Mart, Kroger (owner of several regional chains and second only to Wal-Mart in grocery sales), Ahold (doing business mainly as Stop & Shop and Giant) and Florida-based Publix. They also include food service provider giants Aramark and Sodexo – who manage dining services at universities, school districts, hospitals, and prisons, feeding millions of people every day.

Today, eight years after the launch of the Campaign for Fair Food, we stand on the threshold of a more modern, more humane agricultural industry in Florida. It's time for Aramark and Sodexo to use their buying power not only to demand cheap produce, but also basic rights for the workers who make it possible for that produce to move from the fields to this country's cafeterias and dining halls.

**Conclusion: “Dine with Dignity”** – In March 2009, the Student/Farmworker Alliance (SFA) launched a new initiative in the Campaign for Fair Food. The **“Dine with Dignity”** food service providers campaign seeks to build on the momentum of the tireless student and youth organizing which helped to bring about previous campaign victories and – by helping to bring about new agreements between food industry leaders and the CIW – tip the scales once and for all in favor of fundamental reform and full recognition of human rights in the Florida agricultural industry.



We can only hope that, in the coming year, the companies in the path of the Campaign for Fair Food realize that taking action to help end the long nightmare of farmworker exploitation is not only the most ethical thing to do, but is in fact the best business decision, as well. History is clearly not on the side of those who would defend the status quo in Florida agriculture; neither are present-day consumers, particularly students and youth, who are increasingly concerned with issues of true social responsibility and sustainability.

During the 4-year Taco Bell boycott, SFA members organized to prevent or remove Taco Bell restaurants, contracts and sponsorships from 25 separate high schools, colleges, and universities. Today, through its “Dine with Dignity” campaign, SFA members are once again educating and organizing their peers on campuses across the country to bring an end to Aramark and Sodexo's inaction in the face of farmworker exploitation. It's no longer acceptable for such companies to hide behind the claim that the changes demanded by farmworkers and their allies are just impossible or imprudent to implement. The crisis at hand and the need for reform are too urgent for such an approach; it's past due that the food service industry take responsibility and work with the CIW. The Dine with Dignity campaign will only escalate until this simple truth is realized.