

Campaign Analysis - CIW Campaign for Fair Food

i. Farmworker Poverty and Human Rights Abuse – Farmworkers who pick tomatoes for the fast-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.”

Tomato pickers in Florida’s fields face 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 have to pick 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 nearly 2 ½ TONS of tomatoes just to earn minimum wage for a typical 10-hr day;
- 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 legal standards for prosecution under modern-day slavery statutes. Federal Civil Rights officials have prosecuted five slavery operations, involving over 1,000 workers, in Florida's fields since 1997. One federal prosecutor called Florida “ground zero for modern-day slavery,” while 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.”

ii. Role of the Fast-Food Industry in Farmworker Poverty – Fast-food giants like Burger King and Subway play an active role in creating the unconscionable conditions in Florida’s fields. These massive chains are able to pool the buying power of thousands of restaurants and leverage that enormous power to demand ever-lower prices from their tomato suppliers. This in turn puts a strong downward pressure on farmworker wages, as tomato suppliers squeeze their diminishing profits from their workers through ever-lower wages in order to meet the volume discounts demanded by their fast-food clients. As such, farmworker poverty feeds fast-food 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. This industry flows almost seamlessly from the farm to the table. The consolidation of market power in the retail end of the food industry – the result of the explosive growth of corporations like Burger King, Subway, and WalMart over the past three decades -- draws profits to the top and impoverishes those who toil on the farms where our food is grown and picked.

Details: Workers are not alone in criticizing the fast-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) also describes in detail how fast-food industry demands for lower prices are passed on to farmworkers in the form of wage cuts, citing the example of a recent Burger King demand for lower tomato prices. The article, entitled "Big fast-food contracts breaking tomato re-packers," can be found here: <http://www.ciw-online.org/images/Packer2005.pdf>

Further evidence of the squeeze by major corporate buyers – and its consequences for farmworkers -- is found in a 2004 Oxfam America report, entitled "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 price of tomatoes, by 2000 they were receiving barely one quarter (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." The complete Oxfam report can be found at http://www.oxfamamerica.org/pdfs/labor_report_04.pdf

iii. Agreements with Taco Bell and McDonald's Offer a Way Forward – In 2005, after a 4-year boycott, the CIW reached an historic agreement with Taco Bell to address the ever-deepening poverty and degradation of farmworkers in Florida. On April 9th of this year, McDonald's became the second major fast-food leader to work with the CIW to improve farmworker wages and working conditions.

Details: The Taco Bell and McDonald's agreements establish a model designed to enlist the immense market power of the fast-food giants to reverse the damage done over the past several decades to farmworker wages and to demand an end to human rights abuses, including modern-day slavery, in the operations of their Florida tomato suppliers. Taken together, the agreements establish the following principles:

- Major purchasers must share the cost of creating a supply chain that does not exploit farmworkers. The Agreements commit Taco Bell and McDonald's to pay a penny per pound more for their tomatoes, with the entire amount to be passed on as a pay raise to the workers who pick those tomatoes, as monitored by a reliable third party. This nearly doubles the going piece rate when workers pick tomatoes going to Taco Bell and McDonald's;
- 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, 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 members of the food industry that buy Florida tomatoes. Retail food companies 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.

iv. Burger King Rejects CIW Efforts to Work Together – Nearly two years after the Taco Bell agreement, Burger King announced its own plan to address farmworker poverty. In a statement to the press, Burger King declared:

"We have spoken to CIW representatives about our interest in recruiting interested Immokalee workers into the BURGER KING(R) system. We have offered to send Burger King Corporation recruiters to the area to speak with the CIW and with workers themselves about permanent, full-time employment at BURGER KING(R) restaurants. Burger King Corporation offers ongoing professional training and advancement opportunities around the country for both entry-level and skilled employee jobs, and we are hopeful the CIW will accept our offer."

Rather than work with the CIW to support the principles established in the Taco Bell agreement, Burger King has chosen instead to offer empty alternatives that show a complete disregard for the reality of human rights abuses in Florida's fields and the company's role in contributing to those abuses. In response to the Burger King statement, CIW spokesperson Lucas Benitez commented in a press release dated February 14th, 2007:

"It's simple," said Lucas Benitez of the Coalition of Immokalee Workers (CIW). "The farmworkers who pick tomatoes for Burger King are among this country's worst paid, least protected workers. They earn poverty wages, have no right to overtime pay even when they work 60-70 hour weeks, and have no right to organize. And Burger King has an active hand in creating these unconscionable conditions, as its enormous volume purchasing power allows it to demand lower and lower prices for its tomatoes, resulting in lower and lower wages for already exploited workers."

Benitez continued, "Yet, when presented with the opportunity to take a stand against the exploitation of farmworkers in their home state, Burger King executives refused. Instead, incredibly, they actually offered to address farmworker poverty by retraining tomato pickers to work in Burger King's restaurants – eliminating farmworker poverty by eliminating farmworkers – adding insult to injury with such an obviously unworkable, and frankly pretty ridiculous, idea."

Further, to support its refusal to work with the CIW, Burger King sought to line up behind McDonald's, proclaiming its intent to rely, as McDonald's was then doing, on an employer-controlled monitoring program known by its acronym "SAFE" and a farmworker wage "study" that was roundly dismissed by dozens of labor, legal, and social research experts, including former Secretary of Labor Robert Reich.

Details: Just weeks after the announcement of the Taco Bell agreement, the following meeting took place at a leading tomato growers' packing house, as reported in the Lakeland Ledger ("Growers seek SAFE haven," 1/29/06):

"WASHINGTON -- Jay Taylor recalls the seeds being sown last spring in a tomato packinghouse in Palmetto, where members of the restaurant industry and Florida agriculture met to discuss an escalating labor war.

That March, Taco Bell had agreed to pay tomato pickers in Florida an extra penny per pound and to demand new labor standards from growers after a three-year boycott and a run of bad press. The Coalition of Immokalee Workers, the boycott organizer, had cast an unflattering spotlight on growers with a shame campaign against a big corporate customer.

Vegetable growers and other restaurant chains knew the Bell deal, the first of its kind, tolled for them. Taylor said the message from restaurant representatives was clear: "You guys have got to do something about this issue."

The "seeds sown" at that meeting grew into a carefully constructed device to avoid the two key principles the Taco Bell agreement:

- As an alternative to the Taco Bell code of conduct, which was designed and implemented in partnership with workers, restaurant industry leaders and the FFVA created an employer-controlled monitoring program called Socially Accountable Farm Employers (SAFE). You can find more details on the origins of SAFE – its roots in a public relations firm that specializes in "crisis management," as well as the role of the FFVA in its development – here: (http://www.ciw-online.org/Tangled_Web.html).

You can find a point-by-point comparison of SAFE and the Taco Bell agreement here: (<http://www.ciw-online.org/pointbypoint.html>).

SAFE is a classic case of the fox guarding the henhouse. It was immediately denounced by a broad spectrum of human rights, labor, and consumer organizations. Since the creation of the FFVA-sponsored SAFE program, former FFVA chairman Frank Johns was named numerous times, although not charged, in the federal indictment of his longtime crewleader, Ron Evans. Evans was charged with keeping his workers in what prosecutors called "a form of servitude." Evans ultimately received a 30-year sentence for recruiting workers from homeless shelters across Florida, enticing them with promises of good pay and housing, and holding them in debt through a combination of low wages and charges to the "company store" for everything from rent to crack cocaine. Johns publicly defended Evans as "an above average crewleader."

You can read more about the relationship between Johns and Evans, as well as the argument for holding the giant fast-food corporations accountable for farmworker exploitation, here: (http://www.ciw-online.org/Foxes_Henhouse_FFVA.html)

- As an alternative to the Taco Bell penny per pound surcharge, Burger King argued that farmworker wages were already satisfactory, citing a study commissioned by McDonald's. The study reported that tomato pickers in Florida earned an average of roughly \$14.00 per hour, with the fastest pickers earning upwards to \$18.27 per hour. Like SAFE, the study was thoroughly discredited by dozens of leading legal, labor, and social research scholars,

including former US Secretary of Labor Robert Reich. One evaluation called the report, "so riddled with errors both large and small that it cannot be accepted as factually accurate on virtually any measure... The report should have no credibility whatsoever."

You can read a complete critical analysis of the study -- produced by Dr. Bruce Nissen, Director of the Research Institute on Social and Economic Policy at Florida International University -- here: (http://www.ciw-online.org/Nissen_report.html).

You can read former Labor Secretary Reich's letter here: (http://www.ciw-online.org/Reich_et_al_on_Mclds.html).

Summary:

Today, both Yum Brands, the largest restaurant company in the world, and McDonald's, the largest restaurant chain in the world, are standing behind the principles of the Campaign for Fair Food. When Taco Bell was the only major chain to raise its standards, Burger King's defense was to claim that it is simply not possible to institute those same principles in their supply chain. Now that McDonald's has joined with Taco Bell, Burger King's defense can no longer be considered serious. The question must be asked: How much longer will Burger King continue to ignore the squalid conditions in which its tomatoes are picked? How much longer will Burger King stand in the inevitable path of progress?