

UP-DATE#1 The Tomato Project

In response to numerous inquiries regarding what we have come to call "The Tomato Project" CREA has decided to issue periodic up-dates in addition to a series of reports. The project is a study of the compensation of workers on the Florida tomato farms that supply tomatoes to McDonald's Corporation. This is the first such up-date.

History

As part of its core mission, CREA has always worked for sustainable living wages/income for workers. Building on the supply chain work that CREA has been doing for the past decade in the areas of apparel, footwear and toys, CREA decided several years ago to expand our work to agriculture. We recognized that agricultural supply chains exhibit many of the same situations/problems that are found in other industries, even while raising new questions. In CREA's study of coffee farmers in El Salvador (2004), it became evident that the term Sustainable Living Wage should be changed to Sustainable Living Wage/Income. CREA has used that terminology since the 2004 study.

In the Taco Bell campaign initiated by the Committee on Immokalee Workers (CIW), CREA was the primary filer of the shareholder resolution promoting the penny a pound increase in workers' pay. In this effort we were joined by The Evangelical Lutheran Church of America, Trillium Asset Management, Christian Brothers Investment Service, and the Pension Board of the United Church of Christ. The campaign on behalf of workers has been sustained by the CIW, who have been instrumental in creating awareness of the difficult reality faced by migrant workers within the agricultural supply chain. The CIW campaign and the Taco Bell victory highlighted the reality of migrant workers in the US, and helped the general public to understand that supply chains exist in agriculture just as they do in almost all manufacturing industries.

Building on this foundation, CREA has turned to the systemic questions related to the agricultural supply chain. Once public awareness has been aroused, and as companies involved in the agricultural sector of the economy are motivated to make changes, the task remains to create systems that will address the problems in a sustainable manner, assuring a sustainable living wage/income for the workers, and sustained viability for the companies and communities. This is the challenge of every industry in the competitive reality of globalization.

Immediately following the Taco Bell victory, CREA contacted McDonald's Corporation, with whom we have been working collaboratively for several years on a supply-chain project in China called Project Kaleidoscope. We wanted to see if the learnings from that project and CREA's other supply chain work might be a basis for pro-active work in the agriculture supply chain. The present tomato project, therefore, is a focused component of the over-all supply-chain work that CREA has done and continues to do.

Goal of the Project

The goal of the tomato project is to do an in-depth study of the present compensation of these workers.

Methodology of the Project

CREA will verify that compensation through detailed and thorough review of work and payment documents for 2005 and each quarter of 2006 including an assessment of the wages and benefits earned by the workers, the economic impact of the wages and benefits earned on the local communities where the work is done and on their communities in their home countries if remittances are sent back. To facilitate this process, CREA staff is being joined by an interviewer from Central America with extensive worker interview experience. The Purchasing Power Index methodology, which CREA has used since 1996, will be the foundation for this assessment. This will also provide a basis for comparison with other compensation methods, in particular at this time a comparison with the Taco Bell penny-a-pound method.

Progress of the Study to Date

Since the time of the beginning of the project CREA has carried out the following steps.

1. Three trips to Florida to meet with the growers who supply McDonald's restaurants with tomatoes to ensure their participation and cooperation in our project.
2. Determined a sample size for each crew whose compensation and benefits will be assessed.
3. Ensured access to any and all documentation related to wages and benefits, starting with the picking records from the fields up to and including the W2's given to workers at the end of the year for their taxes.
4. Reviewed the individual 2005 records for each picker in each of the crew samples crews of the first supplier.
5. Documented with photos each of the stages of tomato production from the planting of the seed to the harvesting of the field to the packing in the boxes on the way to the consumers as a means of educating readers.

Our complete analysis of this documentation from the first grower will be complete by the beginning of April 2006. It is our expectation in April report we will be providing the results of our analysis of the wages and benefits at this first grower. It will provide a basis for an initial comparison of the penny-a-pound proposal, and the system of wages and benefits provided by this grower.

At the same time we have begun to situate the reality of tomato growing and harvesting in Florida within a series of systemic questions that we believe are key to bringing about positive change for the workers in the fields, in the packinghouses, and for all those who benefit from the tomato industry in the US. It is our hope that the study will also provide recommendations as to ways of addressing those questions.

If you are interested in receiving future up-dates as well as copies of the three reports as we finish them in 2006, please contact us for inclusion on the list of recipients.