



Lessons from Consumer Boycotts Led by Farmworkers A Strategy to Address Harsh Working Conditions and Low Wage Rates

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Abstract

The Coalition of Immokalee Workers (CIW) is leading consumer boycott efforts against food corporations that buy specialty crops from growers allegedly hiring farmworkers under harsh working conditions and low wage rates. The CIW ends its boycott efforts when food corporations agree to establish a supplier code of conduct and pay a monetary supplement to farmworkers. Crop buyers pay an extra cent per pound to go directly to farmworkers as wage supplement. Food products from participating companies are branded as Fair Food. The program is an example of private efforts to improve welfare of farmworkers in specialty crops. Economic research on this program is limited, but enlightening. This article summarizes farmworker issues leading to the consumer boycott strategy used to make gains amongst farmworkers and research on the strategy.

Florida Farmworkers Issues Leading to Consumer Boycott Efforts

The Coalition of Immokalee Workers (CIW) is an organization for farmworker’s human rights based in Immokalee, Florida. Although the CIW’s work as an organization began in 1993, its most recognized effort began in 2001. That effort has focused on leading consumer boycotts against food retailers who buy Florida tomatoes such as distributors, supermarkets, and fast food restaurants. The boycott efforts denounced these food retailers for perpetuating low farmworker wage rates and harsh working conditions, some in violation of human rights.

Factors Contributing to Low Farmworker’s Wage Rates

Historically, farmworker’s wage rates have been lower than, and in fact about half of, wages for non-agricultural workers (Figure 1). Several factors contribute to this persistent outcome.

- The Fair Labor Standards Act (FLSA), which established federal minimum wage rates in YEAR, did not apply to farmworkers until amendments were made in 1978.

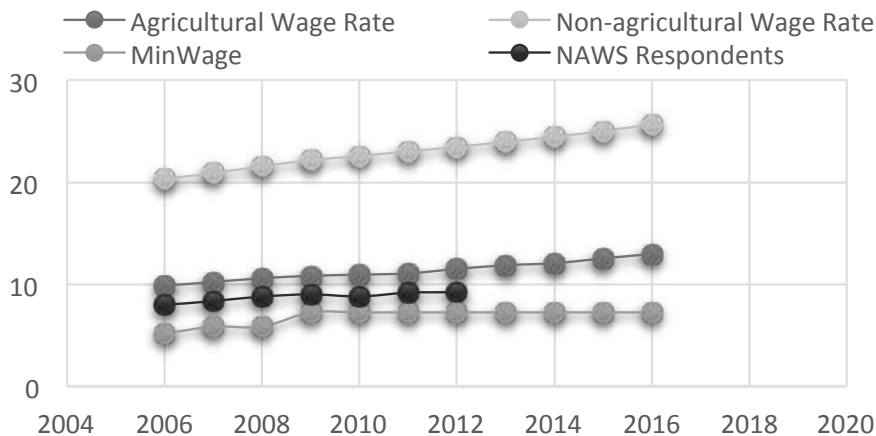
- Farm labor demand is derived from final food products’ demands; therefore, shocks negatively impacting final product demands reduce farm labor

demand and decrease farm labor market wage rates.

- The larger the supply of farm labor the lower their wage rate. At low market wages in this sector, there are less workers willing and able to perform farmwork. Domestic low skilled workers prefer to take jobs offering comparatively higher wage rates. Guest worker’s certification programs are meant to increase labor supply from foreign origins. The Bracero program was one of these; it was in place from the early 1940s to early 50s. A current program allows growers to hire seasonal migrant workers for 120 days from foreign countries through H-2A visa certifications. To minimize adverse effects from this program additional labor supply, the Department of Labor determines a minimum wage to be paid to these workers. That minimum wage is called the Adverse Effect Wage Rate (AEWR). Domestic and undocumented farm workers are paid at a market wage rate; that is, on average, just above the federal minimum wage.

- The Wagner Act or National Labor Relations Act (NLRA) of 1935 excludes agricultural workers. This act protects employees and employers, encourages collective bargaining, and restricts inappropriate labor management practices. Some states have labor relation laws that do not exclude agricultural workers; among them are the Wisconsin Employment Peace Act of 1939, the Oregon Employment Relations Board established in 1977, and the California Agricultural Labor Relations Board (ALRB) created in 1975.

Figure 1 - Average Annual Minimum Wage Rate vs Agricultural, Non-agricultural, and NAWS, Average Market Wage



Evidence of Harsh Working Conditions

Working conditions in this sector are harsh. Days in the field are long, sometimes under extreme heat, besides, seasons are short triggering migration and with that a set of other important issues including less than adequate housing and living conditions. Some farmworkers work under more extreme conditions in violation of federal laws or human rights.

- The U.S. Department of Labor’s Wage and Hour Division (DOL, WHD) lists agriculture as one of the low wage industries with high labor law violations. DOL enforcement data in Figure 2 shows an increase in the number of back wages and civil monetary penalties in that industry. A significant percent of the back wages and civil monetary penalties paid in 2016 were for H-2A violations, at 47% and 52%, respectively (WHD, DOL, 2017).

- According to the 2015 National Human Trafficking Resource Center (NHTRC), 75 cases of human trafficking were for agricultural labor in the U.S. (NHTRC, 2015).

- A different study by the Urban Institute and Northeastern University found that of human rights violations identified, over 71% of the victims came to the U.S. with H2A and B visas for work in

agriculture and hospitality, respectively (Owens, et al., 2014).

- Data collected by the National Agricultural Worker’s Survey (NAWS) includes workers in the field who are K-12 school age.

With limitations, farmworkers have historically leveraged collective bargaining using strikes and boycotts to address their work conditions. Some of these strikes and boycotts are listed in Table 1.

In 2001, the CIW began leading consumer boycotts against Florida business buyers in the food marketing sector (processors, distributors, and retailers). This was an important effort considering Florida and California produce almost two-thirds of U.S. fresh-tomato production (ERS, USDA, 2016). These efforts have now extended to other crops and states in the Southeast. The CIW called for the establishment of a “supplier code of conduct” outlining farm working condition standards required for tomato suppliers to receive preferential supplier status. In addition, they asked for a monetary supplement equal to one cent per pound of tomatoes purchased from Florida tomato growers, or other tomato growers partnering elsewhere. The monetary payment would supplement farmworker’s wage rates and support the program.

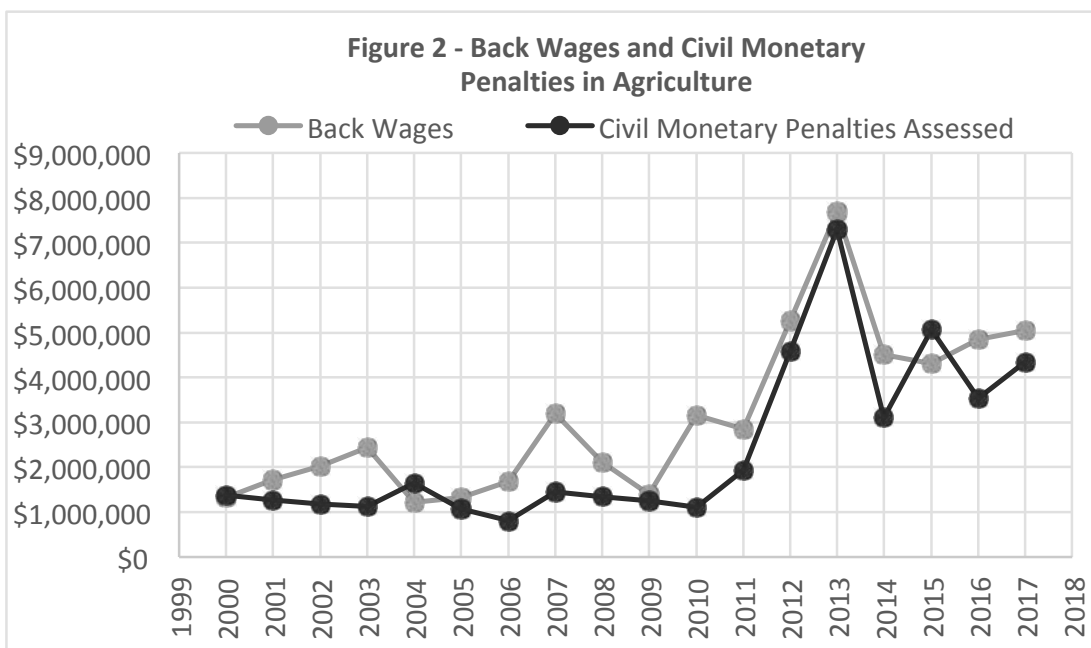


Table 1 - Strikes and Boycott Efforts by Farmworker's Groups Against Businesses

Group	Firm	Strategy	Product	State	Year
UFW	United Farm Workers				
	DiGiorgio Fruit	Strike/boycott	Fruit/vegetables	CA	1966 - 1966
	Schenley Vineyards	Strike/boycott	Grapes	CA	1966 - 1966
	Perelli-Minetti Winery, Christian Bro, & Almaden	Strike/boycott	Grapes	CA	1966 - 1970
	Guimarra Vineyards	Strike/boycott	Grapes	CA	1967 - 1970
	Bud Antle Lettuce	Boycott	Lettuce	CA	1970 - n/a
	Coca-Cola	Strike/boycott	Citrus	FL	1972 - 1972
	Coca-Cola	Strike/boycott	Citrus	FL	1975 - n/a
	Grapes, lettuce & Gallo Wine	Boycott	Grapes/lettuce	CA	1973 - 1978
	Lucky Stores	Boycott	Lettuce	CA	1980 - n/a
	Sun Harvest	Strike/boycott	Lettuce	CA	1979 - 1979
	Bruce Church, Inc	Boycott	Lettuce	CA	1979 - n/a
	Grapes	Boycott	Grapes	CA	1983 - 1992
	E & J Gallo Winery	Boycott	Grapes	CA	2005 - 2005
FLOC	Farm Labor Organizing Committee				-
	Campbell's Soup/Libby	Strike	Tomato/cucumber	OH/MI	1978 - 1985
	Campbell's Vlastic	Boycott	Cucumber	MI	1983 - 1986
	Mount Olive Pickle Co.	Boycott	Cucumber	NC	1997 - 2004
	RJ Reynolds	Boycott	Tobacco	NC	2007 - n/a
PCUN	Pineros y Campesinos Unidos				
	Kraemer Farms	Strike	Cucumber	OR	1991 - n/a
	NORPAC Foods, Inc	Boycott	Fruit/vegetables	OR	1992 - 2002
	Strawberry industry	Strike	Strawberry	OR	1995 - 1995
	Nature's Fountain	Strike		OR	n/a - 1998

The CIW ends the boycott once the buyer agrees to pay the supplement and establish the supplier code of conduct. The first buyer that was targeted and agreed with the CIW demands was Taco Bell, followed by the remaining subsidiaries of Yum! Brand. Growers and other well-known fast food chains, food distributors, and groceries stores have joined, but others have not (Table 2). An entity to manage and enforce the program was needed, and the Fair Food Standard Council (FFSC) was created to certify and monitor tomato growers. Buyers from certified growers pay an extra premium per pound of tomatoes which goes to the program managed by the FFSC.

Table 3 is a list of participating growers as reported in the [FFSC 2015 Annual Report](#). This report states that \$20 million have been paid by program participants. However, it is not clear on the amount actually transferred to workers as supplemental income. The report indicates that

these funds support a reform including a 24-hour worker complaint hot line, worker-to-worker education process, and enforcement of a human rights-based supplier code of conduct (monitoring forced labor, child labor, violence, and sexual assault), via audits and interviews.

Food Program Research

- Positive impact on participating farmworker's earnings, but not for farmworkers outside the program (Palacios, 2013).
- Some may be offsetting participation costs by marketing its participation in social responsibility or governance pages.
- Program participation does not negatively impact profits for food marketing firms, as long as elasticities allow them to effectively transfer the cost incidence to growers (Palacios, 2013).

Table 2 - Boycott Efforts Led by the CIW

Coalition of Immokalee Workers

Taco Bell (only)	Boycott	Tomato	FL	2001 - 2005
Rest of Yum! Brands	Boycott	Tomato	FL	2005 - 2007
McDonald's & Chipotle	Boycott	Tomato	FL	2005 - 2007
SIC 5812 Fast-food	Boycott	Tomato	FL	2005 - n/a
Burger King	Boycott	Tomato	FL	2005 - 2008
Wendy's	Boycott	Tomato	FL	2005 - n/a
Subway	Boycott	Tomato	FL	2005 - 2008
Chipotle (after IPO)	Boycott	Tomato	FL	2006 - 2012
Whole Foods	Boycott	Tomato	FL	2008 - 2008
Walmart	Boycott	Tomato	FL	2008 - 2015
Winn Dixie	Boycott	Tomato	FL	2008 - n/a
Kroger	Boycott	Tomato	FL	2008 - n/a
Safeway	Boycott	Tomato	FL	2008 - n/a
Supervalu	Boycott	Tomato	FL	2008 - n/a
Publix	Boycott	Tomato	FL	2008 - n/a
Sysco	Boycott	Tomato	FL	2008 - n/a
US Food Service	Boycott	Tomato	FL	2008 - n/a
Aramark	Boycott	Tomato	FL	2009 - 2010
Chartwells	Boycott	Tomato	FL	2009 - 2009
Sodexo	Boycott	Tomato	FL	2009 - 2010
Ahold (USA)	Boycott	Tomato	FL	2009 - 2015
Fresh Market	Boycott	Tomato	FL	2015
Trader Joe's	Boycott	Tomato	FL	2012
Compas Group	Boycott	Tomato	FL	2009
Bonapetit Management Company	Boycott	Tomato	FL	2009

Table 3 – Participating Growers

Ag-Mart	Harlee Packing
Big Red Tomato Packers	Hunsader Farms
Classie Growers/Falkner Farms	Palmetto Vegetable Company
Del Monte Fresh Production	South Florida Tomato Growers
DiMare Homestead	Kern Carpenter Farms
Circle D	Lady Moon Farms
DiMare Ruskin	Lipman Produce
HarDee/Diamond D	Pacific Tomato Growers
Triple D	Taylor and Fulton Packing
Farmhouse Tomatoes	Utopia Farms
Gargiulo	Tomatoes of Ruskin
Gulfstream Tomato Packers	Artesian Farms
Hagan Farms	Diehl and Lee Farms
MED Farms	Frank Diehl Farms
	TOR Farms
	West Coast Tomato/McClure Farms

Source: 2015 Fair Food Standard Council *Annual Report*

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