

*Last year California-based berry multinational Driscoll's asserted it would **stand behind** supplier Sakuma Farms, amid boycott calls relating to the Washington State operation and farms in Baja California, Mexico. In the case of Sakuma the boycott campaign continues on a small scale, but as we found from a discussion with Driscoll's Americas executive vice president Soren Bjorn last week, the issue is far from 'black and white'. In this exclusive interview, he gave an in-depth look at the group's ongoing response to the controversy.*

Before we discuss labor relations, how has the season been going so far?

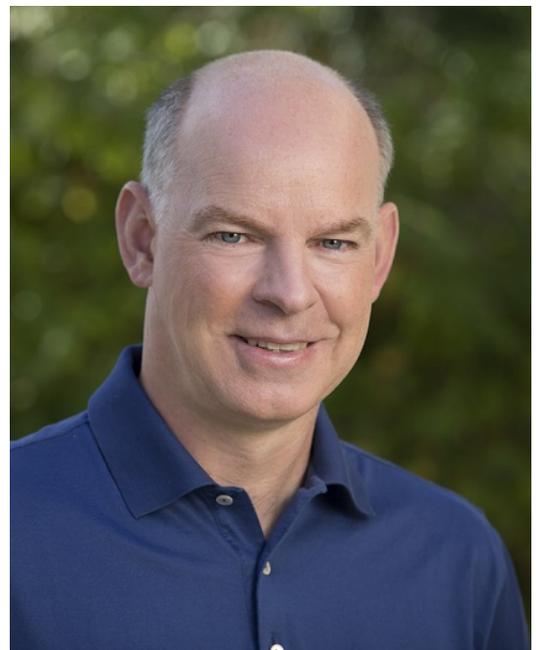
There is a bit of volatility and most berries are pretty short in supply really across the board. The Chilean blueberry season was really late and looks a little short, for the strawberry season there's not much because of the rain and it's been relatively cool. Florida started really hot and then it rainy, and we just had a freeze in Mexico last week that took a good chunk out of the crop as well. It's all El Niño-related.

Thanks for the update. Now, Driscoll's has also been in the news with the announcement of the Costa Group JV in China today (Jan. 28). Are you able to comment on that?

This has more to do with my old job. Of course, we've had our JV with Costa in Australia for some time and it's been hugely successful. As Costa went public in Australia last year we were in discussions with them about really expanding our relationship beyond Australia, and we had other things going on already - we license the Costa blueberry genetics for example in the Americas - it's in Chile, Peru, Mexico, the U.S.

What's been announced today is an expansion of that, and that's just a natural evolution; our joint venture has been very successful, mostly in Australia, but our utilization of their genetics has really helped expand our blueberry program in America.

Last year, of all the Driscoll's blueberry supply less than one fifth was from proprietary genetics, but within the next five years two thirds of blueberry supply is going to come from



Soren Bjorn

proprietary genetics, and the Costa program has been a key part of that.

That sounds interesting. So what we set up this interview to talk about was the fact that in recent months news articles have reemerged about protests at Sakuma Farms. Could you please clarify what is happening?

To take a step back, the way we ended up approaching this is we had quite a few people from outside the company looking in and criticizing what we were or what we were not doing.

The first reaction is always defensive, but we reflected on the question of 'what are we doing?' And what are we not doing? What should we be doing differently? We've been quite clear with ourselves - there was an opportunity for us to take greater accountability for what happens in our grower fields; we have always taken a lot of accountability in quality and food safety in our grower fields because we felt we had to do that, but we had taken a lot less accountability for what was happening on the labor side for our growers.

Our growers are independent, they run their own businesses. We've always had contracts with our growers spelling out the requirements, including lots of requirements about how the workers are treated and paid, but there was not a very active engagement with our growers. So how could things be different? How could things be better? More than just saying 'we're complying', how do we continuously improve?

So what was the next step after that reflection?

So we ended up taking this criticism about Sakuma and in Baja as an opportunity to look at what we could do differently. And the first thing we did was we got together a very comprehensive set of worker welfare standards that were influenced by standards that already existed around the world, and had input from sources like the International Labor Organization (ILO) standards adopted by the United Nations, and other areas.

We went out and looked at standards that were in place in other industries. These issues around how workers are treated of course have been hot button issues in the apparel industry if you go back to the early 90s, in electronics with countries like Foxconn in China, the seafood industry in Southeast Asia, and it sort of finally showed up in the agricultural industry after quite a long time.

We got them out to all our growers, so that's a good starting point. Then what we had to do was an educational process with our growers, because unlike issues of food safety and

quality, these are not black and white issues. It's not like 'I took the water sample or I didn't'. You get into very complex social issues.

What we've found is that when you get into any individual farm or operation there were lots of opportunities to improve things. Not that things were illegal but it's just that what we find is the number one issue that exists is a very poor dialogue between the farmworker community and the farmers, and there's not a very good mechanism on a lot of farms to make sure there's good dialogue back and forth.

Sometimes this is complicated where there are significant language barriers, so take Sakuma for example - their workforce, a lot of them are Spanish speaking but some of them speak neither Spanish nor English and are indigenous people from somewhere in Mexico.

How do you go about having a good dialogue in that scenario?

In general, what we've found is the biggest opportunity is to create the opportunity for a dialogue to take place. We had committees of workers, whether it's safety and health issues, community issues or pay clarity - a lot of the time the pay issues has poor transparency; not that people don't pay the legal amount, but there's no transparency on the pay stub.

A lot of the time there's very little transparency on that, so professional HR has yet to really show up on a lot of farms. What we're trying to do is be a facilitator on that today, and make it clear to our growers that we have expectation.

We have our own audit staff, Driscoll's employees, who can show up at any point in time, and we have a third party Elevate which is the auditor, and the expectation is that everybody has to pass an Elevate audit and at any time we can do our own audit and point out things that need to be changed.

And where are you doing these internal audits?

That's something we're rolling out everywhere. The emphasis is in the higher risk areas - we see somewhat lower risk in California; it's not that we don't have audits in California, but it's much more spot checking, or someone who hasn't been with us for a long time, whereas in Mexico it's more of a blanket approach. Every grower has to go through it - there won't be any exceptions.

Sakuma for example has been through three Elevate audits in the last three seasons. They've passed, they've actually done really well, but they did a lot better last year than the year before. There has been a lot of progress made, and a lot of it is about improving

dialogue with workers.

At the end of 2015 when the season ended, they interviewed every single worker who worked on the farm to ask, 'what was your experience? What did you like? What didn't you like? How were the pay and living conditions?' The last question was, 'do you want to come back next year?' While not all the surveys were positive throughout, 100% of the workers said, 'we would like to be back next year'. That I'm sure would not have happened two years prior.

Our job in all this is to approach this as a continuous improvement, whether it's with the growers trying to highlight where they have opportunities to improve, so long as they are not areas in the zero tolerance.

What would you say are some of the more complicated issues you're finding on farms?

Child labor is probably the trickiest one today but we have zero tolerance that it's 15 years or older. In the state of Washington you can go down to 13, so the state law is actually weaker than the Driscoll's standard, but we are actually holding everybody to the Driscoll's standards.

Other than zero tolerance issues that require immediate correction or immediate termination, all the other areas are areas where there are almost always opportunities to improve, and we will sit down with them and say, what help do you need from us to get to where you want to be.

In Mexico, and this became a big topic in Baja, for the payments of social security - which is clearly a legal requirement - we found that there was not compliance with that across the board. A lot of growers paid and pay, but many don't, and as we dug into it we said, 'you've got to pay. This is the law, you've got to adhere to the law'.

But our overriding principle was, it's about making things better for the farm worker, so they get treated with dignity and respect and have fair conditions to live in. We go into these small Mexican towns where we operate - not all but some - and what happens is that if you put the farmworker in the social security system by making the social security payment, the farmworker can then only get his or her services from the social security service in Mexico.

But sometimes where they actually get their service from today is really from what we call

Medicaid in the U.S.; it's called Seguro Popular in Mexico.

These are benefits for the poorest people in the country - in some of these towns there will be a clinic and a doctor for Seguro Popular, but there will be no doctor and no clinic for the social security office. So we would be forcing farm workers to pay on their behalf, and then the farm worker says, 'well I don't want you to do that because now I have to go to another town to see a doctor. In this town I can't see a doctor because there are no services in social security'.

So then the question becomes, are we better off saying we have to make everybody pay, and the farmworker has to get on a bus, go to another town to see the doctor? Or should we speak to the government and say, 'hey, if we get all our growers to work, will you put in a clinic?' That's a longer process.

That's where it gets tricky. It's very easy for us to say, we draw the line and this is the way it is, but when the social structure is not there to support it and the net income for the farm worker may actually be that they are worse off, we don't want that.

How do you find the balance then, between having the best possible situation for the workers and complying with the law?

I think what we're now having to do is make more difficult choices than we've had in the past. When we evaluate the communities and we just can't get there, we have to make a choice that we really can't participate there.

In some instances we're telling the grower, you've got to pay, you've got to be in compliance, and we will figure out how we can get the farmworkers services. Maybe we can help get them to the doctor, or we help bring mobile clinics to the farms.

In Baja, our largest grower BerryMex has their own clinic, so we may have to do that instead, and there has to be a solution. The hard part with this is it now becomes customizable - it's a lot easier just to write up a set of standards and say 'here's the way it is'.

This also sounds tricky because you could end up with a double payment - first to social security to support facilities in a separate town, and also for a local clinic.

That's what's happening in Baja today. In the case of BerryMex in Baja they are paying 100% of the social security payments and they have a clinic on site.

Are there challenges like this in other countries where Driscoll's sources berries?

You go to China and you have migrant farm workers - this has been well publicized, it's a big problem in electronics - who have all their social services attached to the town where they are born or registered as a resident. So what happens is that you're living in a different town as a factory worker, or in our case a farm worker, and you can't get any services in that town because your social services are back where you are from. That's in China which in some ways is a lot richer than Mexico.

In Morocco we have a quarter to a third of the workforce that doesn't even have a social security number, so you get them to the clinic and they don't exist in the system. So the first job is to get these people registered in the system - this is where these issues become much more complex for a company like ours or anybody else participating. If you can't get the government to come along, some of these issues are almost impossible to solve, and some of the underlying issues that we face in Baja and also Sakuma, very much has to do with government.

And what is the main government-related issue with Sakuma?

Really the big outstanding issue with Sakuma is not about conditions or how the workers are being treated; it's the fact there's a group of people who wants to organize the people at Sakuma into a labor union, but the State of Washington does not recognize agricultural labor unions so there is no legal framework in the state of Washington for farm labor unions.

So you can call for a boycott of Driscoll's or one of our growers, but we don't even know what to do, because the state of Washington doesn't recognize agricultural labor unions. The only state in the United States that does is California - that's the legacy of Cesar Chavez.

Our frustration with Sakuma is that in all the things that clearly have to be done on the ground - how people live, their conditions, how they get treated, communications, training, etcetera, we feel those things have been fully addressed.

The formation of an agricultural labor union should be the workers' choice; Driscoll's cannot enforce a union on the workers at Sakuma, especially not when there is no legal framework to do it. We would be fully supportive if the State of Washington adopted laws and policies similar to that of California. That would be a very clear process, but right now there's no process.

You've spoken about dialogue as a key issue around the world to deal with mediation between growers and their workers. How possible is it to sit down and have dialogue with people calling for boycotts?

We have met with all the parties involved in the Sakuma protests. We have consistently invited other parties that may have joined the cause or written about the cause for a meeting, and have met with a lot of them; I think in a lot of instances that has certainly helped, particularly with people who might have been a bit more on the outside looking in.

In Baja there were labor rights people, people studying migration patterns, invited down to Baja and the doors were open for them. They could look at anything they wanted to look at, they could ask whatever questions they want, and I would say their opinion completely changed. It's wasn't that they didn't offer any criticisms or room for improvement, but I would say what they said was within reason, we'd bring that into our standards, bring that back to our growers, and ask, 'can we change this?'

And we have made a lot of changes. For example, all the pay stubs have been changed - they're now really long pay stubs, but now the worker can see all the details of what's in that pay.

It improves transparency between the employer and the employee - that has definitely been an outcome. There's a lot more training on the ground. You see the employer encouraging the workers to form committees to discuss whatever the issue may be.

It's good to hear you've made progress. You mentioned audits and dialogue as mechanisms for ensuring worker welfare, but what other initiatives have you got in the works?

We think the big opportunity now is we need to have an independent third party that can also deal with issues that are maybe more sensitive. What we are finding is there are significant issues a lot of the time within the farm worker community itself - you might have people who are discriminated against by others, or people who somehow control who gets what work; you might have people that are somehow entitling themselves to part of other people's paychecks, saying 'I'm a crew boss and if you come work with my crew, pay me 5% of my paycheck.'

There are things like that going on that doesn't really surface directly between the employee and the employer, out of fear or whatever reason.

We're doing a pilot in Baja right now, it's launch next week [this week] with Fair Trade USA, and as part of that pilot we are putting in a third party hotline where the farm workers can call or email with any kind of concern that they have, and they know that will be followed up on and investigated, that it'll be reported to the employer and there can be a resolution to the issue.

This is a model that we've seen can work in other places, but that's the piece we are missing right now. It goes to somebody neutral in a matter that's much more sensitive than what would normally come up in the employer-employee relationship. This is about giving the farm workers a greater voice about everything that happens in their lives.

We have to think, do we scale this up everywhere? Then again, that's tremendous complexity - Driscoll's berries are produced in 22 countries today, so how do you get a hotline and scale that in 22 countries?

Our vision for this is that we want to make sure that any farm worker that's somehow associated with harvesting or growing Driscoll's berries, has the opportunity to be heard, and in the end we can look at that whole supply chain and say the people are to be treated with dignity and respect, and their working environment is safe.

Finally, where will those fair trade berries from Baja California be sold?

Whole Foods and Costco. You're going to start seeing it showing up there in the coming weeks. We expect to learn a lot from it.

Readers can [click here](#) for more information on Driscoll's welfare efforts.

www.freshfruitportal.com