



The Sour Taste of Pineapple:

**How an Expanding Export Industry Undermines
Workers and Their Communities**



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EILER, the Ecumenical Institute for Labor Education and Research, Inc. is a non-governmental development organization in the Philippines that provides institutional support for labor research and education for workers organizing nationwide.

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About International Labor Rights Forum

ILRF is an advocacy organization dedicated to achieving just and humane treatment for workers worldwide. ILRF serves a unique role among human rights organizations as an advocate for and with the working poor around the world. We believe that all workers have the right to a safe working environment where they are treated with dignity and respect, and where they can organize freely to defend and promote their rights and interests. We are committed to ending the problems of child labor, forced labor, and other abusive practices. We promote enforcement of labor rights internationally through public education and mobilization, research, litigation, legislation, and collaboration with labor, government and business groups. Visit our website at www.laborrights.org.

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Executive Summary

Since the 1960's, pineapple production has quadrupled and export has tripled worldwide. While profits for some have tremendously expanded under such development, this report demonstrates how pineapple workers, their families and communities, and the environment in the largest pineapple producing nations have not enjoyed the benefits of such growth.

ILRF's partner labor advocacy NGOs in Costa Rica, ASEPROLA, and in the Philippines, EILER, have found abundant evidence that labor rights abuses, inhumane working conditions, and environmental degradation have plagued the industry around the world. These groups conducted field research on pineapple plantations and processing facilities.

Increased corporate control in export supply chains has prevented small farmers and workers in pineapple producing countries from sharing in the products' growing revenue. Dole and Del Monte, through their subsidiaries, compete as the largest global suppliers of both fresh and processed pineapple as both operate plantations, distribution centers, and processing facilities all over the world. Dole and Del Monte have also been expanding their operations through the purchasing and leasing of new land for pineapple production. Dole's subsidiary, Dole Philippines dominates the pineapple industry in the Philippines, while Fresh Del Monte's subsidiary, PINDECO, dominates Costa Rican fresh pineapple production.

The major labor and environmental abuses documented in the report are as follows:

- Pineapple plantation and processing workers work long hours. On average they work 10-12 hours a day, six days a week, often in the hot sun. Both in Costa Rica and the Philippines, unrealistically high production quotas and low piece rate wages have led to long workdays. Work without overtime pay compels workers to work longer in order to make a meager living. Costa Rican workers earn between \$1-2 an hour while workers in the Philippines earn even less. The instability and seasonal nature of the work forces workers to maximize their income when the work is available, thus putting their safety at risk. Pineapple workers have not seen their incomes rise as living costs rise. This perpetuates the reality that pineapple workers, like other agricultural workers, live below the poverty line.
- Freedom of association and right to collective bargaining, recognized by the International Labor Organization (ILO) as core labor rights, have been blatantly violated in both Costa Rica and the Philippines according to ILO reports. Union leaders have been systematically fired and laid off to obliterate any union presence in pineapple production. This is particularly true in Costa Rica, where companies install "Permanent

Gloria Perez's Story



Gloria Perez, 37 years old, has been a pineapple harvester at Dole Philippines for 13 years. She started to work because her husband's income as a truck driver was not enough to feed the entire family. On August 7, 2006, she suffered a stroke as a result of working long hours under stifling heat during the peak harvest season. With a daily wage of \$6.32, she is still unable to pay off the \$200 debt that has accumulated as a result of her medical needs. She barely has enough to send her 6 year old daughter to school.

Committees," or company selected worker representatives to replace union leaders. Union representation has also been significantly reduced in the Philippines, due to a widespread increase in contract labor. Less than 2% of workers in Costa Rica are currently unionized and as a result major anti-union actions have been carried out by companies while governments remain complicit.¹

- Dole Philippines has been able to evade its responsibilities to its workers by replacing the majority of its regular workforce with contract labor from "labor cooperatives." Approximately 77% of workers producing pineapple supplied to Dole are contract laborers and cannot be in the union representing regular workers. Contract workers systematically earn less than directly employed, regular workers as a result of production quota systems or piece-rate based remuneration and the lack of ability to engage in collective bargaining. They are denied most of the basic labor rights and social benefits granted to regular workers. Subcontracting labor, which also prevails in Costa Rica, undermines unions, as temporary/contract workers are legally stripped of their rights to organize into unions and bargain collectively. Most women working in the industry are contract workers.
- Workers are frequently exposed to toxic chemicals through pesticides and fertilizers such as endosulfan in the Philippines, and diuron in Costa Rica. Companies do not always provide proper protective gear and family members or workers are frequently exposed to the chemicals when laundry is done at home. Numerous reports have shown that chemical application in the pineapple fields is more harmful and bothersome to workers than in other agricultural sectors. Side effects range from allergies, nausea and skin rashes to more serious, long term conditions. On average, pineapple plantation workers only have a work life of four years.²
- Pineapple industry expansion has threatened communities and the natural environment in areas of cultivation and processing. Agrochemicals have contaminated the water supplies in pineapple growing regions of Costa Rica and the Philippines. Community groups in Costa Rica claim that small farmers have lost many of their cattle to pests attracted to the pineapple crop. Deforestation and monoculture have altered the biodiversity of the region.

The labor and environmental issues associated with the industry stem from a number of factors. Rapid expansion of the industry has been met with an inability and unwillingness of producing countries to impose regulations, partly as a result of corporate pressure. Trade agreements such as the Caribbean Basin Trade Partnership, soon to become the Central America Free Trade Agreement (CAFTA), have not sufficiently encouraged the enforcement of labor and environmental standards.

The abuses can also be attributed to more systematic factors surrounding the international agricultural supply chains. Multinational companies that buy and distribute pineapples are pressured into reducing costs to be able to compete for a place on the supermarket shelf. Since input costs such as fertilizers and gas are often fixed or rising, supplier companies such as Dole and Del Monte will often seek to maximize profits by minimizing their labor costs. Labor costs only account for a small percentage of the total selling price of the pineapples. Nevertheless, these companies consistently take advantage of high unemployment, migrant workers and weak labor standards in impoverished regions like Central America and Southeast Asia.

ILRF recommends that companies in the pineapple supply chain follow all national and international labor laws; take a positive, public position in support of legal restrictions on the abuse of short term contract labor and dispatched labor

¹ Email correspondence between ILRF and Didier Leiton, Secretary General of the SITRAP union, Costa Rica, 10/08.
² FRENASAPP, Frente Nacional de Sectores Afectados por la Producción Piñera, flyer, 10/08.

schemes; respect workers' rights to freedom of association and collective bargaining; introduce fair production quotas and fair wages; provide protective equipment to guard against agrochemicals and reduce chemical use.

We recommend that the US government push both the Costa Rican and Filipino governments, as trading partners, to strengthen, rather than weaken, their labor laws. These governments should grant equal rights to temporary, contingent, or contract workers in regards to remuneration, workday, rights to join a union and receive social benefits, and any other rights granted to regular workers. Finally, we ask that US consumers advocate for pineapple workers through government and corporate pressure.



Introduction

Maria Concepcion³ is a contract worker hired by a “labor cooperative” to work on a Dole pineapple plantation in the Philippines. She, her husband, Pedro, and their 19 year-old son all work on the plantation. They used to plant maize (corn) for a living but when the price of farm inputs (fertilizers, etc.) became too costly, they applied to work for Dole Philippines. As a contractual worker, Maria earns \$3.90 a day. As a regular worker, Pedro earns about \$4.79 a day. Their biggest expenses are rice for the family and education for their six other children, which amount to about \$185 a month. Three incomes under Dole barely cover the family’s needs.

Maria’s story is typical of the world’s average pineapple worker. Her struggle provides a snapshot of how changes in our global food system impact the lives of families and farm workers worldwide. It is becoming increasingly difficult for subsistence farmers to make a living, so they are faced with living in poverty as workers for large multinational agribusiness firms. While the agro export industry may generate some jobs in developing countries, ILRF’s partners in Costa Rica and the Philippines have shown that these jobs are not stable and often fail to lift families out of poverty.

Workers in the pineapple industry toil in the hot sun for 10-12 hours a day, sometimes without a break, at poverty level wages. They are exposed to dangerous agrichemicals that have led to allergies, rashes, and other serious conditions. These chemicals have contaminated the water supplies in pineapple producing regions, and taken a toll on workers’ families and communities. In addition, regular workers are continuously being replaced with temporary, contract, or “casual” workers as labor rights and standards erode in the global south through a process known as labor flexibilization. Labor flexibilization is one of the main concerns of worker organizations in Costa Rica and the Philippines because through this process, outsourced laborers are denied the basic labor rights and benefits given to regular workers. Unionization efforts, intended to improve conditions, have been met with repression and anti-union tactics.

Many of these labor and environmental problems stem from the competition for market share in the US and Europe and the demands of retailers to buy products at the absolute lowest cost. Transnational companies that buy and distribute pineapples are arguably pressured into reducing costs to be able to compete for a place on the supermarket shelf. Since input costs such as fertilizers and gas are often fixed or rising, companies often find themselves looking for ways to save money in the cost of labor. However, in most cases, labor costs only account for a small percentage of the total selling price. In the Philippines, labor expenditures account for a mere 10% of the final shelf price in Japanese supermarkets.⁴

Corporate actors in pineapple supply chains pressure local governments and officials to reduce labor and environmental law enforcement. Both in the Philippines and Costa Rica, labor and community groups claim that government agencies ignore their labor and environmental complaints. Free trade agreements, like CAFTA, grant extensive rights to companies operating abroad and fail to protect labor rights and environment.

The pineapple industry does not stand alone, but is rather reflective of a broken global food system, dominated by a few large corporations, that has failed agricultural workers, small farmers and consumers. In recent months, the failures of the global food system have been revealed in the news. Salmonella contamination in Mexican tomatoes⁵ left thousands of pounds of tomatoes to rot in the fields. Child labor was discovered at a Kosher meat processing plant in the US.⁶ Riots erupted in Haiti as grain prices⁷ became astronomically high, thus creating a global food crisis. The pineapple export industry was exposed after a shipwreck killing hundreds of people in the Philippines was unlawfully carrying a large cargo shipment of endosulfan, a toxic pesticide used on pineapple plantations. Most of the major

3 *Alias*

4 *Dingal, Larry, “Small Farmers Linkage Development in the Philippines: The Case of Banana, Pineapple and Mango Industries,” University of Philippines, Mindanao.*

5 *Walsh, Mark, Associated Press, “Contamination Conundrum: Few Safeguards for Mexican Produce Heading North,” 9/16/08.*

6 *Luddan Jennifer, “Kosher Meat Plant Faces Child Labor Allegations,” 9/2/08.*

7 *CNN, “Riots, Instability Spread as Food Prices Skyrocket,” 4/7/08.*

companies involved in these cases refused to admit responsibility for the problems that occurred.⁸

All of this exposure has underscored a major issue in most food producing industries – a complete lack of transparency and accountability. Like other agro-export industries, the pineapple industry is consolidated in ownership, but has a decentralized organizational structure, allowing owners to distance themselves from being held liable for labor and environmental abuses that occur on their plantations and in their packing plants. Supermarkets and big box retailers like Wal-Mart have increasingly exerted power over their supply chains. Distributors and suppliers largely operate under the will of Wal-Mart, because they depend so heavily on big box retailers as buyers. Twenty-four percent of Del Monte Food sales were derived from purchases by Wal-Mart.

Complex supply chains make it difficult for consumers to know that the food they eat was produced under decent labor and environmental conditions. Major companies accused of mistreating their workers, such as Dole, refuse to take the blame for mistreatment since a large portion of the workers who pick and process the exported pineapples are contract labor. While Dole is one of many actors to blame for poor labor conditions, it has the responsibility to improve the lives of these workers and their communities.

In the following sections, the report will provide a global context and general picture of the pineapple industry. It will start with an overview of the companies and the supply chains, with a specific focus on the two largest pineapple production firms, Dole and Del Monte. The report will then profile some of the key countries involved in the pineapple industry, and demonstrate how the operations of Dole and Del Monte in the Costa Rica and the Philippines, two of the largest pineapple producing nations, have negatively affected workers, the environment, and local communities. The report will end with a set of recommendations for the companies producing and retailing pineapple, the US government, the governments in pineapple producing nations, and the US consumer.



⁸ Fresh Plaza.com, "Sulpicio sues Del Monte over toxic cargo," 7/9/08.

Major Industry Players and the Pineapple Supply Chain

Since 1960, pineapple production worldwide has risen by 400%. With the introduction of the “Gold” variety, developed and patented by Fresh Del Monte in the 1990’s, the production of pineapple has grown again by nearly 50% since 1998. The world fresh/juice/canned pineapple trade has nearly doubled in the last 10 years.⁹ One pineapple in two is now grown for sale on the export market.¹⁰ With an increased consumer demand for fresh pineapple and juice totaling nearly 30 billion pounds a year, the pineapple export industry has developed into a complex supply chain with insufficient transparency and accountability.

The largest American and European supermarket chains and big-box retailers exert a great deal of control over the market since they have the ultimate buying power. As purchasers who buy in massive quantities, retailers can exert a tremendous amount of pressure on pineapple producing companies to keep wholesale prices low. In turn, these companies negotiate with the local farms for lower prices. The pressure on companies to continuously supply pineapples at a lower cost is then transferred downward onto other members in the supply chain, causing a ripple effect that ultimately reaches those with the least amount of negotiation power, the workers.

In order to find new ways to cut labor costs, pineapple suppliers have started to replace their regular workers with contract labor through a process known as labor flexibilization. Subcontractors and “labor cooperatives” have been known to underwork and overwork their employees as they are given transitory status and irregular schedules. Buyers and suppliers like Dole, Del Monte, and supermarket chains can then remove themselves from their responsibilities as employers. Though many of these companies have claimed that they are working towards a socially responsible commitment to the workers, their practices in the field are often underachieving in comparison to their policies.

In addition to not being direct employers of the workers in the field, most of these companies own subsidiaries that operate in the producing countries. For example PINDECO in Costa Rica is owned by Fresh Del Monte, while Standard Fruit Company is owned by Dole. Furthermore, many small and medium sized landowners lease their land out to the big multinational companies while independent subcontractors deal with the employment, payment, and transportation of workers. Subcontractors themselves may even lease land from the larger companies in exchange for the ability to cultivate pineapples.

A study prepared for the UN Special Representative on Business and Human Rights describes the impact of retail pressures on suppliers, and ultimately workers: “The comparatively weak negotiating position of suppliers is also a notable underlying cause of non-compliance [with labor rights]. Factories [or plantations] cannot influence the terms of trade such as price, speed, quality, or buyer behavior. Given this inability to provide upward pressure, the compromises that suppliers make to keep or win contracts and to remain competitive are passed down to the workers in the form of unrealistic time frames, low wages, poor working conditions and abuse of workers’ rights.”¹¹

Wal-Mart Connection

A Central American arm of Wal-Mart, Agro-industrial Development of Wal-Mart Central America, announced in April of 2006 that it will directly export pineapples to the US. Wal-Mart recently gained control of one of the largest supermarket groups in Central America, Central American Retail Holding Co. which owns most major supermarket chains. The office in charge of managing this operation is Central American Sourcing, which is a branch of the company Hortifruti. In this sense, Wal-Mart will not only exert downward pressure on its pineapple suppliers, but will do so directly through its buying power in Costa Rica.

Source: Morales, Sergio, Capitalfinanciero.com, “Wal-Mart exporta piña costarricense,” 4/18/06.

⁹ Food & Agriculture Organization of the United Nations (FAO), www.fao.org.

¹⁰ Fruit Trop, “The International Pineapple Trade: The Great Years,” 3/06, p2.

¹¹ Action Aid, Page 27 Casey, R (2006) ‘Meaningful change: raising the bar in supply chain workplace standards’, Cambridge, MA: John F Kennedy School of Government. The report asserts Nike’s buying practices are responsible for one in every two cases of noncompliance with Nike’s labour code standards. p24.

The transport of pineapple is also difficult to follow due to different transportation methods used by different companies. Since many of the main companies that operate in Central America were or are still involved in banana production, they tend to use the same established means of transportation, which makes it difficult to separate the distribution of the two products. Companies often have pineapple shipments from various sourcing countries convene at one central destination port. The crates carrying the products are then mixed together, making it very difficult to trace the exact origin of the pineapples that are eventually placed on the supermarket shelves.¹² There are also brokers and different levels of middlemen that complicate the process and add to the price of the pineapple through fees. Small growers who do not have vertically integrated operating systems generally rely on these middle men, and thus make less per unit of pineapple.



12 *Mariano, Pilar, Caracterización de la Producción de Piña*

Dole Food Company

Pineapple Supplier Company Profiles

The following profiles provide information about the largest multinational companies involved in the production and export of fresh and processed pineapple. In addition to information on their operations in the pineapple industry, relevant data regarding their practices and the depth of their influence worldwide has also been included.



Dole Food Company, Inc. (Dole) is the second largest global producer of fresh pineapples worldwide, and the world's largest producer and marketer of fresh fruit. Dole also markets fresh vegetables, fresh-cut flowers, and packaged foods. In 2004, Dole owned and operated on over 150,000 acres of land around the world. In 2007, Dole had net revenue of \$6,171.5 million and made \$89 million in profits. Dole sells over 200 products and operates in over 90 countries (with a presence on each continent) and has approximately 45,000 employees. Dole is a wholly owned private company belonging to David H. Murdock who is one of the richest men in the world.¹³ Dole is vertically integrated, so it controls production, packaging, export, shipping, import, and ripening of its fresh fruits and vegetables.

In 2004, Dole sold over 25 million boxes of pineapple worldwide.¹⁴ Pineapples were eight percent of the company's fresh fruit revenues in 2007. The company reports that its pineapples are cultivated on a mixture of Dole's farms, leased land, and independent farms in Latin America (mostly Costa Rica), Philippines, Thailand, and other places. Dole owns approximately 6,600 acres of land in Honduras, 7,300 acres of land in Costa Rica and 3,000 acres of land in Ecuador, all related to pineapple production, although some of the land is not presently under production. Dolefil, which manages Dole Foods' interest in the Philippines, is a wholly owned subsidiary of Dole Foods Inc. It produces much of the pineapples and pineapple juice that are exported to the US. Dole's Worldwide Packaged Food Division operates two canneries in Thailand and one in the Philippines.¹⁵ According to Dole, the pineapples used at these canneries are sourced from a large Dole-operated plantation and independent growers in the Philippines and Thailand.

Dole operates an industrial farm in Polomolok, Mindanao, that covers "approximately 24,000 leased acres in the Philippines. Approximately 17,000 acres of the plantation are leased to Dole by a cooperative of Dole employees that acquired the land pursuant to agrarian reform law. The remaining 7,000 acres are leased from individual land owners. A cannery, freezer, juice concentrate plant, a box forming plant and a can manufacturing plant, each owned by Dole, are located at or near the pineapple plantation."¹⁶

Dole's pineapple operations to produce pineapple juice and other pineapple products for export to the United States have been designated a Special Economic Zone (SEZ) by the Philippines Economic Zone Authority and receive significant incentives and tax breaks from the Philippine government. Dole Philippines contributes a large share to the millions in global income made by the parent company each year.

Dolefil has a total workforce of around 20,000 workers. Around 5,000 are regular employees of Dole. 15,000 are contract works engaged in flexible working arrangements. This represents a dramatic shift from the 1990's when it employed 8,000 regular employees and no temporary employees.¹⁷

Dolefil is not a publicly traded company. Most Filipinos cannot purchase shares in Dolefil and cannot share in the growth and development that Dolefil claims to bring to the Philippines, but which is actually intended to benefit its US-based parent company.

¹³ Hoovers, "Dole Food Company, Inc," www.hoovers.com/dole-food/-/ID__10303-/-free-co-factsheet.xhtml.

¹⁴ Dole powerpoint presentation, 2004.

¹⁵ Dole's Website, www.dole.com/CompanyInfo/About/Worldwide/Asia.jsp.

¹⁶ Dole Food Co Inc, 10-K. S.E.C. Filing 08679271, 3/10/08.

¹⁷ Email correspondence between ILRF and EILER regarding KMU CBA info, 10/16/08.

In February 2008, Dolefil announced its plans to increase its farm size for pineapple plantations by 10-15% with the target date of 2010. However, Dolefil backed down soon after from its expansion project after facing resistance from local communities. The company claimed that it would not insist on expanding in areas where it feels its investments 'are not welcome.' The local Council said the fruit company should have exercised 'utmost caution in entering the disputed area where there are so many land claimants.'¹⁸

Dole has been involved in a number of labor and environmentally related lawsuits in recent decades. A significant portion of Dole's legal exposure relates to lawsuits pending in the United States and in several foreign countries, alleging injury as a result of exposure to the agricultural chemical, Nemagon. In December 2002, a Nicaraguan judge ordered Standard Fruit (Dole Food Company in the US), along with Dow Chemical company and Shell Oil, to pay US\$490 million in compensation to 583 banana workers injured by Nemagon, an extremely toxic soil fumigant that has sterilized thousands of Central American banana workers. The pesticide, used to control burrowing rootworms or nematodes, is also known to cause impotence, depression and is suspected in increased rates of stomach cancer.¹⁹

For years, Dole has been under a great deal of public pressure to change its labor and environmental practices. It touted its Social Accountability International SA 8000 certification in 2005 and has begun posting a list of socially responsible commitments on its website. "The average basic wage of a Dolefil hourly rank-and-file employee is now at PHP 410 (US\$ 10.00) per day..Of Dolefil's 5,717 regular employees, 91% are union members."²⁰ Unfortunately, the standards only apply to employees directly employed by Dole. The fact remains that 77% of Dole Philippines workers are contract laborers, many employed by "labor cooperatives."²¹ These workers do not receive the wages and benefits displayed on Dole's website and are not in a union.

Dole has also recently launched an initiative to become carbon neutral, and plans to eliminate the use of Paraquat on its plantations. It remains to be seen whether Dole will truly comply with the labor and environmental demands of civil society groups in its areas of operation.



18 Reefertrends, "Land dispute halts Dole pineapple expansion project," 3/17/08, www.reefertrends.com/search.php?searchtxt=Land+dispute+%2B+Dolefil&x=0&y=0.

19 "Banana Workers Win Against Dow, Shell, and Standard Fruit," 1/6/03, www.organicconsumers.org/corp/011003_dow_chemical.cfm.

20 www.dole.com/CompanyInfo/DolePhilippinesFacts/DolePhilippinesFacts_Index.jsp.

21 Email correspondence between ILRF and EILER regarding KMU CBA info, 10/16/08.

Fresh Del Monte and Del Monte Foods



Fresh Del Monte claims to be the number one marketer of fresh pineapples worldwide. The “Del Monte Gold® Extra Sweet” pineapple gave it approximately 35% of the global market share in 2007. Similar to Dole, Fresh Del Monte Produce, Inc. is a vertically integrated producer, marketer and distributor of fresh and fresh-cut fruits and vegetables, prepared fruits and vegetables, beverages, and snacks under the “Del Monte” brand. Originally part of Del Monte Corporation, in 1989 the company split into Del Monte Foods and Fresh Del Monte Produce (first named Del Monte Tropical Fruit).²²

In 1996, the Abu Ghazaleh family from Jordan purchased controlling interest and incorporated the company in the Cayman Islands. The Abu Ghazaleh family currently owns 51.9% of Fresh Del Monte Produce. Del Monte transferred the bulk of its operations from Hawaii to Costa Rica in 1996 after the development of the popular MD-2 variety. This move was subsidized by the Costa Rican government which paid Del Monte \$24 million from 1997-1999. At the time, Marvin Bush, the brother of President George Bush was on Fresh Del Monte’s board of directors.²³

Fresh Del Monte sources its products mainly from Central and South America, Africa, and the Philippines, from company-owned farms, joint venture arrangements and contracts with independent growers. The Pineapple Development Corporation (PINDECO), a subsidiary of Fresh Del Monte,²⁴ produces at least 50% of Costa Rica’s pineapples and owns approximately 37,000 acres of land for pineapple production.²⁵

In 2007, Fresh Del Monte had a net revenue (in millions) of \$3,365.5 and profits (in millions) of \$179.8. Fresh Del Monte owns 11,800 acres in Brazil for pineapple, melon, and banana cultivation. It leases 9,200 acres in Kenya for pineapple production, and leases 8,900 for bananas and pineapples in the Philippines, in addition to its land in Costa Rica. In an effort to expand its market share in the industry, Fresh Del Monte bought the Costa Rican group, Caribana, in 2008 for \$400 million dollars, which included Desarrollo Agroindustrial de Frutales, S.A. (“Frutales”), a producer of bananas; Frutas de Exportacion, S.A. (“Frutex”), a major provider of gold pineapples; and an affiliated sales and marketing company.²⁶ Caribana owns three large plantations and has one of the two largest plantations in Costa Rica.

Fresh Del Monte has recently been caught violating environmental laws regarding the use and transport of pesticides. In 2007, the Environmental Protection Agency (EPA) fined Fresh Del Monte \$25,000 for improper pesticide use on their farm in Kunia, Hawaii in 2004 and 2005. According to the EPA, Fresh Del Monte “failed to comply with label directions regarding pesticide application and precautions to protect worker health and the environment.” The company did not have a certified pesticide applicator, or anyone supervising the application of the pesticide. In addition, the company failed to notify workers when pesticides were being applied, or provide workers with the proper decontamination supplies. In September 2008, the EPA fined the same facility \$190,000 for hazardous waste storage, handling and used-oil management violations.²⁷

In May 2008, a federal court in Georgia ruled that Fresh Del Monte Southeast, a subsidiary of Fresh Del Monte, was legally responsible for ensuring that the 500 migrant workers, who were hired by independent contractors, receive appropriate wage payments. Companies’ use of labor contractors to avoid legal responsibility for their employees, particularly farm workers, is a common tactic. Companies outside of the US have been able to get away with such practices because of weak oversight and lack of legal threats from foreign governments.²⁸

22 Fresh Del Monte Produce, Inc., “Company Overview: History,” 6/18/08, freshdelmonte.com/ourcompany/companyoverview/history.aspx.

23 Galdones, Fred, “Statement of ILWU Local 142 On Fresh Del Monte’s announced closure,” 2/7/06.

24 Barquero, S., Marvin, *La Nacion*, “Fresh Del Monte Compro Bananera y Pinera Nacional en \$400 millones”, 6/8/08, www.nacion.com/ln_ee/2008/junio/10/economia1571729.html.

25 Blythman, Joanna, *Observer Food Monthly*, “Sweet, OFM: healthy and juicy: so why are pineapple leaving a bitter taste?,” *Observer Food Monthly*, 11/19/06.

26 Goliath, *Industry Information*, “Del Monte Buys Fruit Companies (Costa Rica),” 7/1/08, goliath.ecnext.com/coms2/gi_0199-8011933/Del-Monte-buys-fruit-companies.html.

27 *Pacific Business News*, “EPA Fines Del Monte 190,000,” 9/25/08.

28 *Southern Poverty Law Center*, “Lawsuit: Del Monte Ripping Off Migrant Workers,” 5/7/08, www.alternet.org/immigration/84669/lawsuit:_del_monte_ripping_off_migrant_workers/.

Case Study: Del Monte Endosulfan Scandal

Del Monte Foods, Inc has processed and packaged fruits and vegetables for retail for over 80 years in the Philippines. On June 21, 2008, a subsidiary of the company, Del Monte Pacific, which owns Del Monte Philippines, found itself caught in a major controversy involving the Princess of the Stars ferry shipwreck that caused the death of over 800 passengers. Ten tons of the highly toxic pesticide, endosulfan, were on board the passenger ship when it left Manila, bound for Del Monte Philippines' pineapple plantations on the island of Cebu. It is illegal in the Philippines and the US to transport highly toxic chemicals on passenger ships.

Endosulfan has been banned in the European Union because of its toxicity.²⁹ The US EPA considers endosulfan to be a potential human endocrine disruptor, and in 2000, the Agency for Toxic and Disease Registry (ATSDR) concluded that "endosulfan may potentially cause reproductive toxicity in humans." Since then, studies of populations exposed to endosulfan have been published suggesting that Endosulfan can increase the risk of autism, delay puberty in boys, and cause birth defects of the male reproductive system.³⁰

Experts feared that the shipwreck would cause a massive chemical disaster from the endosulfan in the ocean around Romblon, Philippines, where the ship had sunk. Luckily, a disaster never ensued because the endosulfan was not yet in a "ready-to-mix," soluble form.³¹ Officials have estimated that recovering the pesticide owned by pineapple-grower Del Monte, as well as other chemicals owned by Bayer CropScience, could take the rest of the year. Thus far, there has been no evidence that the chemicals have leaked into the surrounding waters.³² Environmentalists claim that if any leak were to occur, there would be long term damage to the marine eco-system in the Romblon seas.

In light of major media attention surrounding the controversy, the shipowner, Sulpicio Lines, sued Del Monte Philippines shortly after the disaster for failing to comply with its legal obligation to fully disclose the toxic nature of its shipment.³³ Del Monte has countersued, claiming that the Sulpicio Lines loaded the endosulfan onto Princess of the Stars instead of the appointed vessel for the cargo, without its knowledge or consent. It said that Sulpicio was responsible for the safe delivery of the pesticide. The suit and countersuit is yet another reflection of the complexity and lack of accountability that exists in our global agricultural export system.

The near-chemical disaster has led to the demand for a ban on the chemical and for more disclosure on its toxicity. Endosulfan was banned in the Philippines in 1993 but was again allowed in 1995 to stop a disease that threatened the country's pineapple industry. Filipino Congressional Representative Rafael Mariano said the Pesticides Technical Advisory Committee of the Department of Agriculture's Fertilizer and Pesticides Authority (FPA) recommended in 1994 that the exemption from the ban should only be lifted for two years.

Despite recommendations, the exemption has continued for 12 years for Dole and Del Monte. Farmers and like-minded scientists would like the Philippine Congress to completely ban Endosulfan and other toxic pesticides without exemptions.³⁴ Groups argue that if the chemical has been banned for use in rice paddies, it should be taken just as seriously for pineapple plantations.³⁵ The provincial board of Bukidnon in the Philippines already passed an ordinance banning the use of pesticide endosulfan or its derivatives in the plantations in Bukidnon.³⁶

Top Importers

29 *Nee, Chow Penn, The Business Times, "Del Monte Pacific caught in controversy over pesticide," 7/0208.*

30 *Pesticide Action Network (PAN) North America, "Endosulfan Health Affects Studies," www.panna.org/campaigns/endosulfan/health..*

31 *Dr. Dario Sabularse, Fertilizer and Pesticide Authority (FPA) as quoted in Ignacio de Castro, "No significant release of toxic chemicals yet: experts," 6/29/08, newsbreak.com.ph/index.php?option=com_content&task=view&id=5030&Itemid=88889051.*

32 *Robles, Jojo, Manila Standard Today, "Unwelcome intrusions," 10/1/08.*

33 *FreshPlaza.com, "Sulpicio sues Del Monte over toxic cargo," 7/9/08, www.freshplaza.com/news_detail.asp?id=25207.*

34 *Bordadora, Norman, Philippine Daily Inquirer, "Exemption from endosulfan ban for two years only—solon," 7/1/08, newsinfo.inquirer.net/breakingnews/nation/view/20080701-145852/Exemption-from-endosulfan-ban-for-2-years-only--solon.*

35 *Joey Papa, President of Bangon Kalikasan (Rise Nature) Movement as quoted in TJ Burgonio, Philippine Daily Inquirer, "African groups push for endosulfan ban in Philippines," 7/9/08, globalnation.inquirer.net/news/news/view_article.php?article_id=147443.*

36 *Sun Star, "Bukidnon bans endosulfan," 6/10/08, www.sunstar.com.ph/static/cag/2008/08/10/news/bukidnon.bans.endosulfan.html.*

Key Countries Involved in the Pineapple Industry

The majority of the world's demand for pineapple comes from a handful of countries – namely the US, France, Japan, Belgium, Italy, Germany, Spain, Netherlands, and the United Kingdom. South Korea and Singapore also constitute part of the world's demand.

The United States dominates most of the fresh pineapple market and about the same amount of the canned pineapple and pineapple juice markets as the European Union. In 2007, Costa Rica provided nearly 90% of the fresh pineapple sold in the United States. European Union countries constitute much of the remaining demand for fresh pineapples.

Three quarters of traded pineapple is in the form of canned products or juice. Not surprisingly, the US dominates the import market, though Europe's market is rapidly growing. Between 1999 and 2006, both markets have doubled their imports.³⁷

Top Exporters

Hawaii, USA

Historically, Hawaii was the world's largest pineapple producer and source for US pineapples. The pineapple variety that has gained enormous popularity over the last 10 years, known as Del Monte Gold, Dole's Gold MD-2, and the Maui Pineapple Company's Hawaiian Gold, was first engineered in the Pineapple Research Institute of Hawaii in the 1970's.³⁸

All canned pineapple production in Hawaii has halted in recent years, due to cheaper production costs elsewhere. However, fresh pineapple can still be produced at a profit for sale in Japan, the West Coast US, and for local consumption. There are currently two fresh pineapple operations left in Hawaii, one on Maui and one on Oahu. Fresh Del Monte Produce Inc. announced that after 90 years in Hawaii, they will plant their last crop of pineapple on Oahu in 2008 and will cease all operations after that crop is harvested. In January 2007, Del Monte unexpectedly announced they would shutdown production and leave Hawaii at the end of January. The company destroyed the existing crop (estimated value of \$10 million) instead of completing the harvest. This decision left about 550 pineapple workers without a job. In addition, Maui Land and Pineapple closed its canning operation in 2007 to focus on fresh fruit.³⁹

All pineapple operations of Maui Land and Pineapple are represented by the International Longshoreman and Warehouse Union (ILWU) Local 142. According to the union, jobs have been cut significantly in recent years. Five years ago, Maui Land and Pineapple had 1,300 employees while now there are 200, Dole in Oahu had over 2000 employees nine years ago and only 180 today. In the union sites, average wages range from a low of \$11.00 per hour to a high of \$21.00 per hour while workers have health insurance and pensions. The union workers have few complaints about their working conditions and have not experienced the type of anti-union repression that exists in global pineapple operations elsewhere.⁴⁰ These well paid union jobs are becoming few and far between in Hawaii, as industry standards decline due to companies' comparatively low labor expenditures in pineapple production abroad.

Technological innovations like computerized temperature and atmosphere controlled shipping containers have allowed the largest pineapple producers to move pineapple operations far away from their markets.⁴¹ Nowadays, companies look to countries in Latin America, West Africa, and Asia for their pineapple productions. Costa Rica dominates the international fresh pineapple trade with Cote D'Ivoire, Ghana, Ecuador, and other Central American

³⁷ FruitTrop, p4.

³⁸ Galdones, p30.

³⁹ Email correspondence between ILRF and Mel Chang, ILWU, 10/08.

⁴⁰ Email correspondence between ILRF and William Kennison, Pineapple Division Director, International Longshore and Warehouse Union (ILWU), 8/21/08.

⁴¹ Email correspondence between ILRF and Mel Chang, 10/08.

countries.⁴² The Philippines and Thailand are the world's largest processed pineapple exporters. Twelve countries account for 80% of production worldwide. Six are in Asia (Thailand, the Philippines, China, India, Indonesia and Vietnam), four are in Central and South America (Brazil, Costa Rica, Mexico, and Colombia) and two are in Africa (Nigeria and Kenya). Top exporters of fresh pineapple to the US include Costa Rica, Ecuador, Honduras and Guatemala while for Europe, they are Costa Rica, Cote D'Ivoire, Ghana, and Ecuador.⁴³

Costa Rica

Pineapple cultivation in Costa Rica started about 60 years ago when the Southern Pineapple Corporation, associated with the Banana Corporation in Costa Rica-Chiquita, tried to produce the Montelirio, a hybrid variety, for export to compete with the Smooth Cayenne variety produced in Hawaii. When the hybrid failed to be competitive, Costa Rica's largest pineapple producer, the Pineapple Development Corporation (PINDECO), a subsidiary of Fresh Del Monte, Inc. consulted the Hawaiian creators of the Smooth Cayenne and began to expand production in the southern Pacific coastal regions of Costa Rica.⁴⁴ With the introduction of new technologies and the increased corporate dominance in pineapple supply chains, largely by Del Monte and Dole, the production and the export of pineapple in Costa Rica has exponentially increased in the last two decades.

In 2006, 51% of Costa Rican exports went to North America and 49% went to Europe.⁴⁵ Pineapple production is primarily concentrated in the southern Atlantic and Pacific coastal regions of the country, but is expanding rapidly in the north of Costa Rica. The dramatic increase in the value of the region's land reflects the increase in the value of pineapple. In Guácimo, an area in northern Costa Rica with one of the highest rates of expansion, the value of one hectare of land nearly doubled from 2000 to 2004. Small and medium sized producers say that larger companies have been offering to buy their land at undervalued prices, allowing the largest corporate producers to thrive.⁴⁶ By June 2008, over 93,000 acres of land were being used for pineapple cultivation.⁴⁷

Last year, Costa Rica was the world's number one exporter of fresh pineapples.⁴⁸ Its total value of pineapple exports grew from \$142 million USD in 2001 to \$484.5 million USD in 2007.⁴⁹ From 2006 to 2007 alone, there was a 12% increase in exports.⁵⁰ The US now imports 90% of its pineapple from Costa Rica. Pineapples are now Costa Rica's second biggest agricultural export after bananas (which replaced coffee as the primary agricultural export in the 1990s). However, the total value of pineapple exports is on track to overtake the total value of banana exports.

There are over a thousand small and medium pineapple producers in Costa Rica but most of them supply or lease land to Dole or Del Monte. There is a great deal of uncertainty about the relationships between the largest pineapple producers and the largest US based suppliers. Dole, BANACOL,⁵¹ Grupo Acon, and the PINDECO corporation, a subsidiary of Del Monte, are amongst the large pineapple landowners.

Costa Rican Economy and Trade

Compared to other Central American countries, Costa Ricans have a higher standard of living; per capita income in 2007 was \$10,300 USD, though pineapple workers earn around half of that on average. Agriculture makes up 8.6% of

42 *FruitTrop*, p1.

43 *USDA and Eurostat in Fruit Trop*, p4, 6.

44 *Detrasdelapina.org*, "Breve historia de la producción de piña para la exportación," 7/3/08.

45 *Reefertrends.com*, *ReeferTrends Update*, 11/30/06.

46 *In conversations with community members in the Atlantic region, it was stated that small and medium-sized producers are being pressured by larger companies to sell at low prices.*

47 *CANAPEP*, www.canapep.com.

48 *Teletica.com*, "De Suelo costarricense llega la pina a todo el mundo," (*Adaptación*), 3/28/07.

49 *Salazar Alvarado, Omar, ASEPROLA statement "La producción de piña en Costa Rica,"* www.aseprola.org/leer.php/145.

50 *Asociación Cámara Nacional de Productores y Exportadores de Piña (CANAPEP)*, "Producción," www.canapep.com/produccion.html.

51 *Monge, 1996 in Acuña.*

the country's \$26.2 billion of Costa Rica's GDP and the poverty rate in Costa Rica has remained around 20% for nearly 20 years. In agriculture, wages have not kept up with inflation, making it hard for workers to maintain the decent standard of living that other Costa Ricans enjoy. An estimated 300,000-500,000 Nicaraguans entering Costa Rica legally and illegally are an important source of (mostly unskilled) labor, largely in agriculture.⁵²

The Generalized System of Preferences, a tariff preference system, and the Caribbean Basin Initiative, soon to become CAFTA, have encouraged multinational agricultural companies like Dole and Fresh Del Monte to take advantage of Costa Rica's economic environment. Costa Rican state policy favors an export economy by providing incentives for domestic and foreign investment through tax exemptions on the import of agricultural equipment, for example, to promote the production and export of agricultural products. Trade between the US and Costa Rica totaled over \$7.9 billion in 2006.⁵³ Trade with the US is expected to increase as Costa Rica becomes fully integrated into CAFTA this year.

While favoring the interests of multinational companies, the Costa Rican government has failed to act on the numerous formal complaints of labor rights violations, particularly those that relate to freedom of association. They have failed to set a minimum wage that keeps up with inflation, leaving low-wage workers in a continual state of poverty. Nor has the government been able to impose and enforce environmental regulations as the industry rapidly expands.⁵⁴

The Philippines

The Philippines is one of the leading exporters of fresh and processed pineapple products in the world, next to Thailand. The Philippines, along with Indonesia and Thailand, comprise nearly 80 percent of the world's canned pineapple supply. The Philippines and Thailand also make up 65% of the world's supply of single strength pineapple juice. The Philippines' annual exports in pineapple concentrates increased by 42% from 2007 to 2008, while its exports in pineapple juice increased by 34% for the same period.⁵⁵

In 2006, the Philippines produced \$56 million worth of fresh pineapple and \$166 million in processed products for export.⁵⁶ Unlike the US and the EU which receive most of their fresh pineapple from Costa Rica, Japan serves as the biggest export market for the Philippines. Japan imported roughly 65 percent of fresh pineapple shipments from the Philippines in 2006, which reflects an increase of 15 percent from 2005.⁵⁷

Eighty-nine percent of the pineapple processing operation belongs to two companies in the Philippines: Del Monte Foods and Dole. In 2003, Del Monte had 26 percent market share, while Stanfilco, a division of Dole Philippines, had 27 percent market share.⁵⁸ Dole Philippines (Dolefil) is one of the largest multinational companies in the Philippines, operating on approximately 28,000 acres of land.

Philippines Economy and Trade

The Philippines has one of the fastest growing economies in the developing world, with an annual growth rate of 7 percent in 2007. The per capita income was \$3,400. 35% of the labor force is employed by the agricultural sector and

52 CIA World Factbook, Costa Rica, updated 9/4/08, www.cia.gov/library/publications/the-world-factbook/geos/cs.html.

53 US Department of State, Bureau of Western Hemisphere Affairs. "Background Note: Costa Rica," 1/08, www.state.gov/r/pa/ei/bgn/2019.htm.

54 Sherwood, Dave, Miami Herald, "Costa Rica's pineapple boom raises environmental questions," 8/28/08.

55 Foreign Trade Statistics, National Statistics Office, Republic of the Philippines, 3/09/08.

56 Department of Agriculture, Philippines, High Value Commercial Crops Program, "Pineapple Commodity Profile," 9/22/08, hvcc.da.gov.ph/pdf/pineapple_com_profile.pdf.

57 Philippines Department of Trade and Industry. "Small Pineapple Farmers in Bicol Stand to Benefit from JPEPA." Press Release. 10/11/07.

58 Dingal.

30% of the country's inhabitants live below the official poverty line.⁵⁹ Filipino contractual workers for Dole Philippines make an average of \$4 a day, which is a half of what the Philippine government defines as a poverty level wage.⁶⁰

Out of all of its exports, 13.4% are shipped to the US, making the US its largest trading partner after China.⁶¹ Amongst Philippines top trading partners, the US is the only non-Asian country. The Philippines is a part of the WTO, Association of Southeast Asian Nations (ASEAN), the ASEAN Regional Forum (ARF), and the Asia-Pacific Economic Cooperation (APEC) forum.

Similar to Costa Rica, the Filipino government favors an export economy, and has actively passed laws that would make it easier for transnational companies to use contract workers. An example of such legislation is the "Piece Rate Determination Order No. XII-03" which has greatly favored the interests of Dole Philippines.⁶²

The Philippines government's status as a participant in the Generalized System of Preferences is under review for allegations of widespread and systematic violence against trade unionists, including killings and disappearances of union leaders, military intervention in trade union activities, and arrests of trade union leaders because of their activities.⁶³ The Kilusang Mayo Uno and its affiliated unions, like the Dolefil union, AK-NAFLU-KMU, have borne the brunt of the government's repressive measures.

Also, the Philippine Government, through its executive branch agencies such as the Philippines Economic Zone Authority (PEZA) and the Department of Labor and Employment, employs a heavy handed approach in its effort to end strikes by outright denying many workers the right to strike. PEZA is the government agency responsible for oversight of Dole's pineapple operations in Mindanao.

For years, the ILO has requested that the Philippines meet its responsibility to protect workers' rights, providing a long list of violations committed by the Philippine government. Despite requests from both the ILO and the United States Trade Representative, the Philippine government is steadfast in its refusal to agree to the ILO's request to send a mission to examine these allegations.⁶⁴



59 CIA World Factbook: *The Philippines*, updated 9/4/08, www.cia.gov/library/publications/the-world-factbook/geos/rp.html.

60 Public Eye Global Award 2008: *Dole Philippines*, www.publiceye.ch.

61 *Ibid.*

62 *Field Research from EILER.*

63 www.ustr.gov/Trade_Development/Preference_Programs/GSP/GSP_2008_Annual_Review/Section_Index.html.

64 See ILO Committee on Freedom of Association, "Interim Report: Case No. 2488, Complaint Against the Government of the Philippines presented by the Federation of Free Workers (FFW)-Visayas Council", GB.299/4/1, at pp. 314-339.

Working Conditions and Labor Rights Violations: Costa Rica

The following sections outline the working conditions, labor rights issues, and the labor market restructuring that has occurred in the past decade within Costa Rica and the Philippines. Workers in both nations face the similar problems: an increase in temporary or contract jobs that lack basic benefits and rights, production quota based wages that lengthen the work day, health and safety violations that result from high exposure to toxic agricultural chemicals, and anti-union tactics and repression.

Costa Rica

Employment

As of 2006, the pineapple industry in Costa Rica employed approximately 100,000 people; approximately, 24,000⁶⁵ as direct employees (people involved with the production and industrial processing of the crop)⁶⁶ and estimated 80,000 more as indirect employees associated with marketing, transport, packing and other sectors associated with the industry.⁶⁷ Many of the direct employees involved with the production of pineapples are actually small independent producers who sell their crop to the large companies for processing and/or export. The agricultural (production) component of the pineapple industry requires a labor force all year long, with two to three laborers working per hectare. The agro-industrial (processing) component of the industry consists of the packing plants, which require at least fourteen operators for approximately 200 crop hectares.⁶⁸

Much of the workforce in Costa Rica is made up of Nicaraguan migrant workers who are desperate for jobs and any source of income, as Nicaragua has a higher unemployment rate than its neighbor. Many of them are undocumented and face many of the same problems that undocumented immigrants face in the US: fear of losing their jobs or being deported if they speak up or try to join a union, underpayment of wages and forced overtime, and abusive treatment. If they complain, the farm managers call the police to check their papers, so they rarely report problems.⁶⁹

Salaries

While a worker's pay varies according to conditions such as his or her occupation and by which company they are employed, as a rule, the salaries in the pineapple industry are low. In 2005, Acuña interviewed field workers on the PINDECO farm (subsidiary of Fresh Del Monte), who said they earned an average of 580 colones (US \$1.20) per hour and 861 colones (US \$2) per overtime hour.⁷⁰ Being paid for overtime is not very common in the industry, however. Companies pay workers by the day rather than by the hour which allows them to avoid compensating for overtime.⁷¹

65 Email correspondence between ILRF and Didier Leiton, 9/08.

66 CANAPEP, www.canapep.com/estadisticas, 2006 estimate.

67 Woodbridge, Jorge, "TLC: el día después productores de piña," 6/07, www.meic.go.cr/esp2/noticias/estudios/Pina.pdf.

68 Quijandria, et. al, in Acuña, p12.

69 Murphy in Blythman.

70 Acuña, "Guillermo, Situación y Condiciones de la Agroindustria Piñera en Costa Rica ASEPROLA," 2/05, p31.

71 Acuña, 2005, p17.

Observations of Working Conditions

In November 2006, a fact finding mission to the pineapple growing regions of Costa Rica made up of trade unionists and representatives from Banana Link highlighted the atrocious working conditions that exist on many of the nations' pineapple plantations.

Cath Murphy, a delegate from Britain's General Union provides a picture of the day in the life of a pineapple worker:

I couldn't stop thinking about the faces of these young men, still only in their teens and twenties, but with a dullness and hollowness in their eyes. They looked totally exhausted. The plantations are so massive that they have to wake up at about 3 am to walk to work for a 5 or 6am start. They get paid for an eight hour day, but they usually have to work for more than 11 or 12 hours to meet their targets... Most do not arrive back until at least 8 in the evening. They only get a 30 minute break each day and there is no protection from the rain or sun... There is an odd tin hut that passes for a toilet, but it is a very long walk to get one. The one we saw had no water, no soap, no toilet paper, no washbasin.

Source: Cath Murphy of GMB as quoted in Blythman, p2.

Workers in the packing plant do not receive an hourly wage. Instead, they are paid by the piece, that is, the number of boxes they pack. As a result, they are not guaranteed a stable income because if there is no fruit, there is no pay. Sometimes, if there is not enough work for the packing plant workers, they will be sent home without pay, even if they are paid for transportation to work that day. In addition, workers in the packing plants are not paid for overtime, even if they work long beyond the end of the workday. Acuña notes that since women work mainly in the packing plants where pay is much lower than in the fields, women have more instability in their work and salary.⁷²

Length of Workday and Days per Week

Work days in the pineapple industry are long, in some cases lasting 10 to 12 hours a day, both in the pineapple field and the packing plants. Workdays can even exceed 12 hours, according to workers' representatives interviewed in the Acuña 2005 study, and during high harvesting season, workers have reportedly worked for 3 weeks straight without a single day off.⁷³ This is partially the result of low salaries, as employees are forced to work long hours in order to earn enough to live. Workers for the PINDECO Company in the south Pacific region of Costa Rica said they work six days a week with one day of rest, unless they are needed for a specific task in which case they work seven.⁷⁴ The workers also said that they are generally given a fifteen-minute break for breakfast and a half an hour break for lunch.⁷⁵ Some employees choose to work through their lunch break, however, so they will not be docked pay if they fail to meet a certain production quota.⁷⁶

The actual work schedule differs from company to company. Some say they work from 5:30 a.m. to 3 p.m.; others say their day lasts from 7 a.m. to 8 p.m.; still others say they leave home at 4:30 a.m. and do not return until 9 or 10 o'clock at night.^{77 78} Regardless of the schedule, however, it is clear that the long workdays leave time for little else besides sleep. As a result, local families and communities suffer since workers do not have time or energy to attend community, social, or religious gatherings or spend time with their families.⁷⁹ In extreme heat or heavy rain, long days take a heavy toll on workers' health.

72 Acuña, 2005, p.31.

73 Wiggerthale, Marita, "Estacion Final: supermercado," 07/10/08, www.ecoport.net/content/view/full/79874.

74 Acuña, 2005, p.30.

75 Acuña, 2005, p.32.

76 Acuña, 2005, p.31.

77 Foro Emaús, Foro 2007, "Gira a la zona piñera caribeña," 12/07, p.8.

78 ASEPROLA, "Guillermo, Situación y Condiciones de la Agroindustria Piñera en Costa Rica," 2004, p.27.

79 Acuña, 2004, p.32.

Letter from Nicaraguan Migrant Workers

A letter written to the outside world written by Manuel Lopez Vargas (alias) on behalf of 20 Nicaraguan migrant workers who plant seedlings on Pina Frut's pineapple plantation in Costa Rica, October 2006 :

"We work in sub-human conditions: very long and exhausting working days...wages that suit the company. There is no freedom of association – those who join the union are treated like terrorists and we're not included in the negotiation of piece rates since the company only negotiates with the so-called "permanent committee" (made up of three non-unionized workers).

*We are forced to sacrifice our own health because we are in constant contact with chemicals and we have to work in the sun or rain, bent over all day. (The seedlings are soaked in Diazanon** which eats away our fingernails).*

They're always drumming quality into our brains - when the fields haven't been cultivated for over a year and are full of weeds or the soil is rockhard - then we get disciplined or sacked if we're not meeting their productivity and quality targets.

We decided to join the union (SITRAP) but the union can't change things on its own because of the alliance between the government and businessmen. This alliance seeks to eradicate the trade unions. Trade unions like SITRAP have their hands and legs tied by a system which doesn't take inflation into account when it comes to setting wages..."

*** According to the CDC, Diazanon causes allergic skin reactions. It also causes cholinesterase, the symptoms of which include headache, dizziness, anxiety, muscle twitching, vomiting, diarrhea, wheezing, cough, and more.*

Work Stability

Pineapple producing companies cut costs by creating a flexible, unstable labor force that can be shuffled around according to production demands. Temporary workers make up the majority of the workforce during the harvest season and are put under classifications that exempt them from labor law provisions regarding rights to organize, benefits, work day, layoffs, and work stability. There is a lack of hard data on the actual numbers of indirect employees but there are estimated to be thousands of temporary and contract laborers working in the industry. Generally, workers are contracted for uncertain periods of time, depending on output from the harvest in a given year.⁸⁰

Harvest workers for the PINDECO Company and some companies in the Atlantic region are contracted for two months, two and a half months and three months at a time, fired and then re-hired at a later time. Workers report that in 2004, PINDECO fired all of its workers of a certain age, even those who had been working for the company for up to 15 years.⁸¹ The benefits of this system for the companies are two fold: the workers constantly fear not being re-employed, which discourages them from joining unions or complaining about work conditions, and the companies avoid providing social benefits to the workers.⁸² Work instability also makes it difficult for workers to make long term decisions or plans such as a decision to send their children to school.

The use of subcontractors in the industry is common. Subcontractors, often former field workers in the industry, are hired by companies to recruit, hire, transport, manage, and distribute wages to small groups of workers and then remain responsible for fulfilling a certain duty on a portion of the companies' land. By passing along most personnel issues to them, companies can evade legal responsibilities to the workers regarding labor and social benefits.⁸³ They also put pressure on subcontractors to keep labor costs low and output high amongst workers, thus creating incentives for subcontractors to underpay workers and keep them undocumented, without written contracts.

Subcontractors are often "phantoms" on the plantations and subcontracted workers fear giving out their names. Companies will pay subcontractors to rent out and hire workers on pieces of unregulated land that is not under the companies' jurisdiction, but instead under the subcontractors' name. Thus, workers have no direct connection to the company, and the company has no legal responsibility to them, though the subcontractors take orders from foremen who are directly hired by the company.⁸⁴ One worker disclosed that in the year 2000, a subcontractor was paid the equivalent of \$7.22 a hectare by the company to apply pesticides to the crops. The subcontractor then paid the worker \$1.71 a hectare to perform the work, thus keeping 75% of the income.⁸⁵

The group of workers most often contracted by third-party contractors, and who therefore are systematically denied social benefits and paid the lowest salaries (below the legal minimum wage) are the primarily Nicaraguan migrant workers. Often poorly educated and seeking relief from their own country's "grinding poverty," they are undocumented and therefore can be underpaid and easily fired without any legal consequences.⁸⁶ As a result, they offer a competitive advantage to Costa Rican and immigrant workers, and their presence in the pineapple industry is growing.⁸⁷ As of 2006, there were approximately 92,500 Nicaraguan laborers working in the pineapple, banana, citrus, melon, and sugar cane agro-industries, many of them moving constantly between the different activities.⁸⁸

80 *Leiton, 7/29/08.*

81 *Roberto Picado, Representative from the Frente de Lucha contra la Contaminación de PINDECO as quoted in "Pineapple production in the Atlantic and South Pacific Regions of Costa Rica: Characteristics, organization, and labor conditions," 12/04, p28.*

82 *Leiton, 7/29/08.*

83 *Acuña, 2004, p30.*

84 *Email correspondence between ILRF and Didier Leiton, 2/29/08.*

85 *Leiton, 2/29/08.*

86 *Blythman, p2.*

87 *Acuña, 2004, p53.*

88 *Acuna, (interview with Alexis Quesada, MAG. 8/16/04), p17.*

Health and Safety Violations

One of the most noticeable effects of the pineapple industry in Costa Rica is its impact on the health of both workers and community members. Workers directly involved with the production of pineapples (planters, harvesters, packing plant workers, etc.) suffer the consequences of prolonged exposure to the toxic agrochemicals used in pineapple production, accidents while handling machinery, and the adverse effects of hard labor in unfavorable weather conditions.

Costa Rica's hot and humid tropical climate is perfectly suited to growing pineapples. However, it also makes for difficult working conditions. Unlike workers in the banana industry, who receive some protection from the overhead banana leaves, workers in the pineapple fields must spend long hours with no shade from the sun or the rain and in hot conditions (77-100° F), bent over low pineapple plants.⁸⁹ When Acuña asked workers in the Atlantic region to compare working conditions in the pineapple industry with the notoriously poor conditions of the banana industry, their response was that it would be preferable to work in the banana fields since banana workers at least have some protection from the climate.⁹⁰

On some plantations, workers are not even given a reprieve from the difficult weather conditions during their lunch breaks. According to Freddy, a pineapple field worker, "Here we don't have a good place to prepare our meals every day. We have to do it under the carts loaded with pineapples, enduring the smell of pure chemicals."⁹¹

A major concern is the "systematic and prolonged" exposure of workers to chemicals (pesticides, fungicides and fertilizers), which are used to accelerate the harvests and improve the quality of the fruit but have adverse effects on their health.⁹² Workers for the PINDECO Company in the southern Pacific region report increased allergies, migraines, nausea, general weakness, chronic gastritis, and influenza as a result of weakened immune systems.⁹³

In the case of the PINDECO Company in the southern Pacific region, the company provides the workers with the basic equipment needed to carry out their work- gloves, glasses, aprons, sleeves, earplugs, overalls, shoes, and coats – however they do not take responsibility for maintaining all of this equipment (gloves, overalls, etc.). The workers, therefore, must wash their equipment themselves, which becomes a problem when their work clothing – covered with chemical residues – is washed along with the rest of the family's clothing without taking any precautionary measures.⁹⁴ As the representative Roberto Picado of the community organization Frente de Lucha contra la Contaminación de PINDECO (FLP) points out:

Those machines go by and soak the fields; the worker has to get in there to open pathways and even when they wear protective clothing, they come out soaked...but that is not the problem, the problem is that those overalls are taken home and the wife washes them by hand and that leads to many problems.⁹⁵

Studies ordered by the Ombudsman in Costa Rica (DHR) have directly proven the relationship between workers' health issues and the pineapple industry. According to their report, "relating the environment to the health issue it can be observed that the respiratory illnesses in the area have a close relationship to the unmeasured use of pesticides that are used and the solvent mixture. Evidence has shown that it only takes about 2-3 years to start developing health issues after working in the pineapple plantations."⁹⁶

89 Blythman, p2.

90 Acuña, 2004. p33.

91 Foro Emaús, p8.

92 Acuña, 2004, p27.

93 Acuña, 2005, p36.

94 Acuña, 2004, p32.

95 Acuña, 2004, Interview with Roberto Picado, representative of the Frente de Lucha contra la Contaminación de PINDECO, 12/04, p32.

96 Acuña, 2004, p35.

Another concern for workers throughout the pineapple industry, and especially in the packing plants, is the constant pressure to increase production. As a former packing plant worker demonstrates:

They time you and one has to be always working because if not they call attention to it...so one lives with a lot of tension...what interests them is that the pineapple goes out...our arms and backs hurt...I have a problem with my spine and they didn't care...there is a large staircase on top of the packers where the bosses stand and they tell us: "let's go, cut pineapple, cut pineapple!"⁹⁷

There are also a number of health risks associated with the use of heavy machinery in the planting sector. The constant pressure to increase the pace of production inevitably leads workers to rush and makes them more prone to accidents.⁹⁸ Among the most frequent accidents are bruises, sprains and falls from the carts that the workers use to transport pineapples. Another issue is the wear on bones and joints as well as pain in the hands and lower back that results from long hours spent doubled over the short pineapple plants. Fieldworkers also suffer from nosebleeds, sunstroke and fainting due to constant and prolonged exposure to the sun.⁹⁹

Other general health issues are dizziness, vomiting, fainting, white splotches on the skin due to allergies or sun exposure, cough, thyroid imbalance, respiratory issues and even the loss of fingernails that results from handling toxic agrochemicals.¹⁰⁰ According to Cath Murphy of the GMB, "The boys showed me their fingers and their nails were all brown, unusually thick and infected. They told be that their nails drop off all the time. I only saw one boy wearing rubber gloves."¹⁰¹ She is referring to the chemical, Diazanon, which not only eats at the skin, but can affect the nervous system.

What is most unsettling about all of the health issues reported by workers is the lack of responsibility taken by the company for their workers' health. In many cases, the company will not recognize any injuries or health conditions as work-related and are slow or unwilling to provide workers with the necessary treatment.¹⁰² For example, a worker in the Atlantic region related the following story:

I cut myself there and I was bleeding a lot... They gave me some stitches since the wound was pretty deep. I cut myself because I was chopping pineapples and sharpening the knife and the file slipped. The problem was also that where I was there was a lot of mud, and you can't get out in a state like I was in...luckily the machine driver was there and he took me to the offices...but I thought they were going to get me out quickly but no, it took like two hours...the company didn't take me. I took a regular bus to the clinic. No one took charge...in the company's office there is no one in charge of these things.¹⁰³

97 Acuña, 2004, p33.

98 Acuña, 2005, p37.

99 Mariano, Pilarn "Caracterización de la Producción de Piña," p16.

100 Mariano, p17.

101 Blythman, p3.

102 Acuña, p37.

103 Acuña, p38.

Harmful Chemicals at PINDECO

A workers' representative from the PINDECO Company spoke about the strength in toxicity of the some of the chemicals:

There is a liquid that gets into the pores that causes a lot of illness. It seems to me that this chemical is stronger than that used on the banana plantations. This product affects people by giving them allergies, headaches, nosebleeds, and aching bones. It appears that this is caused by the chemicals used in this activity. There are people who suffer from the flu; they sneeze and blood comes out... and this is caused by the dust that comes from the pineapple when you lift it, it is like a yellow dust.

Source: Acuña, 2005, p37.

Also see the following section on Environmental Impacts for Pesticide effects

Unions and Worker Organization

There are a number of labor rights violations in the Costa Rican pineapple industry that generally aim to prevent workers from improving their wages and conditions through unions and collective bargaining. The ILO Committee on the application of standards noted the following in its report on freedom of association in Costa Rica:

The main problems occurred in the “slowness and ineffectiveness of recourse procedures and compensation in the event of anti-union acts (according to the High-level Mission, the slowness of procedures in cases of anti-union discrimination results in a period of not less than four years to obtain a final ruling)..and the enormous imbalance in the private sector between the number of collective agreements concluded with trade unions (much lower) and the number of direct agreements concluded with non-unionized workers (the Committee previously called for an independent investigation into this matter).”¹⁰⁴



Due to anti-union sentiment amongst pineapple companies and a complicit government, only around 2% of pineapple workers are currently unionized. Pineapple companies have successfully eliminated most union presence on their plantations, often through violations of ILO convention 87, which specifies a worker’s rights to freedom of association and collective bargaining. Previously, there were four unions representing workers in the pineapple industry in Costa Rica: SITRAP, in the northern Limon province; SITRAPINDECO, which was founded by SITRAP and represents PINDECO pineapple plantation workers in the south; SITAGAH, in Heredia province; and SITRA PINA, which organized workers in the northern zones. Today, however, only three unions exist, as SITRA PINA has disappeared because of extensive anti-union activity.

SITRAP, which also represents banana workers and operates in Limon province, was formed in 2003 by the workers of the PINDECO Company.¹⁰⁵ SITRAP is part of a larger federation of Latin American Unions called the Coordinadora Latinoamericana de Sindicatos Bananeros (COLSIBA). SITRAP also represents workers from Piña Frut, S.A., owned by Grupo Acon (Roberto y Jorge Acon Sanchez) and the Agroindustrial Bananera del Caribe, S.A. SITRAP have tried to organize on many other plantations but anti-union repression, firings, and the lack of access have constrained their efforts.¹⁰⁶ SITRAP once had 90 affiliated members, out of the 400 Piña Frut workers but virtually all of them have all been fired or laid off. Similarly, SITRAPINDECO’s dropped from 200 members to 35 members.¹⁰⁷

Some of the anti-union tactics employed by pineapple companies as follows:

1. Massive lay-offs.

In an effort to combat worker organization, some pineapple farms will find “any excuse” to fire the entire workforce. They tell the workers that they will be re-hired; however some companies also use this tactic as a way to get rid of workers who they no longer want or need because of their age, poor health or because they are demanding their rights or are associated with a union.¹⁰⁸ Grupo Acon (a major supplier to Dole) used this tactic on their farm Piña Frut, S.A. On May 1st, 2007, they informed workers that the company would dismiss

¹⁰⁴ International Labour Conference, Report III (1A). Report of the Committee of Experts on the Application of Conventions and Recommendations, 2/28/08.

¹⁰⁵ Acuña, p45.

¹⁰⁶ Email correspondence between ILRF and Didier Leiton, 8/20/08.

¹⁰⁷ Email correspondence between ILRF and Didier Leiton, 8/20/08.

¹⁰⁸ Leiton, Didier “Problemática Laboral en las plantaciones de piña en Costa Rica,” 7/8/08, detrasdelapina.org/index.php?option=com_content&task=view&id=55&Itemid=29.

the entire workforce for the benefit of the workers because they would be able to collect severance pay. They assured the workers they would subsequently be rehired as regular workers under the same conditions.

However, once they began to lay off workers and give them settlements, the company's representative informed the workers who were members of the union that they would not receive a settlement unless they gave up their memberships. The company did not follow through on their promises, however, and many workers – especially former union workers who had given up their membership – were not rehired. Some were even forcibly evicted from their houses on company property. Others were rehired as temporary workers so that they would not join the union again. The company also used this illegal maneuver to get rid of older or unhealthy workers who they no longer wanted on the plantation.¹⁰⁹

2. *Preventing union representatives from moving freely in the work place.*

The majority of pineapple farms employ security doors as well as armed guards to prevent union representatives from entering the workplace and speaking to the workers. There have even been cases in which the security guards violently removed union leaders from the work place. Grupo Acon's Piña Frut, S.A. has made some agreements with the union to allow them to enter, but only under certain conditions set by the company. They must ask for permission in advance, indicate the name of the union leader and the date and time that he or she will be arriving. Even with these conditions, the company often violates the agreements.

3. *Only negotiating with Permanent Committees and refusing to recognize unions.*

Pineapple companies tend to negotiate with workers through direct agreements.¹¹⁰ Collective bargaining, therefore, is carried out through agreements with the Permanent Committee, a group of three people elected by the workers to represent them. The elections of Permanent Committee members are not always democratic, as the companies will try to influence workers to elect a candidate of their choosing.¹¹¹

Once elected, the company offers certain "conditions" to the committee so that they will sign what they are presented. These "conditions" include: paid days off, a travel allowance and tickets to visit the beach, the country or stays in nice hotels with cable TV. For the pineapple worker who spends hours under the hot sun, these kind of offers are almost impossible to resist.¹¹² On these trips, the company will present the Committee with an agreement and ask them to sign. On more than one occasion, the Ministry of Labor has returned these agreements to the companies for correction because the conditions set forth in the agreement do not meet the minimum requirements established by the Costa Rican Work Code.

4. *Preventing workers from joining unions and undertaking anti-union campaigns*

Many pineapple companies in Costa Rica, including Chiquita's subsidiary Compañía Bananera Atlántica and Fresh Del Monte's subsidiary PINDECO, have been accused of systematically obstructing union work.¹¹³ Grupo Acon's Piña Frut, S.A. has been involved with a strong anti-union campaign. The local management and the foremen in conjunction with Escuela Social Juan XXIII, have brought workers to watch a video where they show the closure of the banana plantations in the south of Costa Rica in 1984. They blame the closures on the unions and tell the workers that if they do not give up their own union, the pineapple farms will suffer the same fate and thousands of families will be without work. They also tell the union members that they will be blacklisted and therefore unable to find work anywhere else.

5. *Refusing to relocate sick workers, or relocating them to areas with inferior working conditions.*

109 *Email correspondence between ILRF and Didier Leiton, 2008.*

110 *Acuña, p33.*

111 *Email correspondence between ILRF and Leiton.*

112 *Leiton "Sobre los Comites Permanentes," Acuña, p33.*

113 *Leiton.*

As mentioned in the previous Occupational Health Risks section, the pineapple companies often refuse to recognize occupational injuries or health conditions as work-related. As a result, workers are often denied their request to be relocated because of injuries or health conditions. Workers who are relocated are often moved to areas with even more difficult working conditions and are discriminated against by their co-workers.¹¹⁴

6. *Harassment of female workers*

According to Acuña, worker's representatives in the PINDECO Company owned by Fresh Del Monte have expressed concern about harassment in the work place, especially in the packing plants. Women who work there are subjected to verbal abuse and sexual harassment, and they are fired if they file a report.¹¹⁵

Gender Divisions

Most of the field work in the pineapple industry (preparation of fields, maintenance, harvesting, cutting, and transportation) is performed by a male workforce. In the case of PINDECO (which is emblematic in terms of size, production levels, economic importance, etc), there are about 5,000 workers. Of this total, 3,000 are field workers and all of these are men. There are an additional 1,200 packing workers, of which 500 are women and 700 are men. Of the 17 managers, only one is a woman (the company lawyer).

The work assigned to women is primarily in the packing area. However, according to interviews with PINDECO workers, women are generally discouraged from working at all.

The company policy is the decrease female participation in the industry; first they took women out of the fields because pregnancy made them incapable of that work. And now in the packing plants the same thing is happening: they are going to remove the women because they 'have to give them leave time' and because the strong chemicals make them nauseous.¹¹⁶

Most workers in the packing plants are women, so salary differences are based on gender differences in the different tasks carried out by men and women. In the packing houses, income is earned through a piece rate system, so women and have to work longer and harder to make a decent wage.¹¹⁷

While the trend throughout most of Costa Rica is a decrease in woman working on pineapple plantations, in the Atlantic region of pineapple production, there has actually been an increase in the number of women working in the field (cutting, collecting). As a young woman who used to work on a pineapple farm said, "They are sending women into the fields. They have had problems with pregnant women. In the field we tie up the plants, collect mecate, break the fruit, open young seedlings, carry pineapples, all that...and we weed, and to do that we have to stoop over to be able to carry a full sack, it was hard work. They also had pregnant women do that work, and one of them lost her baby."¹¹⁸

Thousand of miles away, Filipino pineapple workers are experiencing strikingly similar working conditions to those

114 Acuña, p33.

115 Acuña, p26.

116 Interview with PINDECO workers, Acuña, 8/04, p25.

117 Acuña, 2004, p26.

118 Interview with a former worker. Atlantic region, 10/04, in Acuña, 2004, p26.

Working Conditions and Labor Rights Violations: Philippines

workers in Costa Rica. Since the late 1980s, Dole's business model and expansion plans in the Philippines have relied on outsourced labor for nearly two thirds of its work. Dole's practices of using contract labor for its pineapple production are intended to deprive most of its workforce of the benefits of freedom of association and decent conditions with respect to minimum wage and hours of work.



Long time employees of Dole have been laid off or coerced into resigning and, as they are replaced with contract labor employed by third-party agencies known as "labor cooperatives." Unlike regular workers, these workers are underpaid, deprived of union benefits, and left in constant job insecurity.¹¹⁹ Their wages barely cover living costs and they are subject to various health and safety violations. Many have also been stripped of their lands.¹²⁰

The Comprehensive Agriculture Reform Program (CARP) and the Labor Cooperatives

Since the late 1980's, Dole and Del Monte have utilized the Comprehensive Agricultural Reform Program (CARP), a Filipino land reform program first instituted in 1988, as an instrument to obscure its relationship with its workforce, and to secure cheap land at the expense of poor farmers.¹²¹ CARP, though officially instituted for the purpose of redistributing property to landless peasants, was highly influenced by politically connected landlords and a powerful agribusiness lobby. Not surprisingly, it was passed by a landlord- dominated Congress.¹²² Dole Philippines was the first large agribusiness affected by CARP, and because it established a would be the model precedent for the rest of the country, close attention was paid to all eyes were on how Dole implemented its obligation under CARP. Since that time, Dole has pioneered the development of "labor cooperatives" as a means to reduce its regular workforce and expand its use of contract labor to capture the benefits of disempowered, cheap labor.¹²³

Under CARP, Dole's land was divided among its workers, and others who had long-standing land claims before Dole had taken control of the land when it arrived in the Philippines in the 1960's. The workers were provided nominal title to the land, but were prevented by law from being able to control it. Instead, they were obliged to form "labor cooperatives."¹²⁴ While these cooperatives were intended as a way to ensure that workers had some influence over the use of their land from the start, the cooperatives were really controlled by wealthy landlords.¹²⁵

Through its dealings with the cooperatives, Dole and Del Monte have been able to take advantage of a number of worker abuses. Dole has outsourced its labor force to contract labor and replaced its full-time regular employment system that existed before CARP.¹²⁶ Dole has acted in flagrant disregard for Philippine labor law by continuing to use contract labor from the cooperatives despite a finding by the Philippine government that this was illegal.¹²⁷

119 Field research conducted by ILRF partners in the provinces of Sultan Kudarat, South Cotabato and Saranggani between June 2006 and June 2007. Primary data-gathering included surveys, interviews, and focus group discussions with key informants such as union leaders, company officers, community leaders, government officials, plantation growers, land owners, and children. 91 individuals were interviewed.

120 Borras, Saturino M. Jr. and Jennifer C. Franco. *Critical Asian Studies* 37:3, "Struggles for Land and Livelihood: Redistributive Reform in Agribusiness Plantations in the Philippines." 2005, p339.

121 Flores-Obanil, Carmina B. and Mary Ann Manahan. LRAM, "Leaseback Arrangements: Reversing Agrarian Reform Gains in the Philippines," 2/8/07, p4.

122 Fuwa, Nobuhiko, Chiba University, "Politics and Economics of Land Reform in the Philippines: A Survey." 5/00, www.h.chiba-u.jp/mkt/LANDREF.pdf, p23.

123 Flores-Obanil and Manahan, p5.

124 Ofreneo, Dr. Rene E., *Action for Economic Reforms*, "The LEASEBACK Mode of Agrarian Reform: Strengths, Weaknesses and Options," 9/00, p3.

125 Sietze, Vellema, *International Journal of Sociology of Agriculture and Food*, "Agribusiness Control in Philippine Farm Contracting: From Formality to Intervention," 1999, p95.

126 Field research conducted by EILER.

127 *Dole Philippines, Inc. v. Medel Esteva*, G.R. No. 161115, *Philippine Supreme Court*, 11/30/06.

The formation of the first labor cooperatives excluded official labor interests, thus undermining cooperative members' labor rights for years to come. In the first meetings concerning the cooperative formations, National Federation of Labor officials walked out in protest over a decision that no officer of any labor union could be a member of the Board of Directors of the Dolefil Agrarian Reform Beneficiaries Cooperative, Inc.(DARBCI). This set a precedent for the long standing trend of separating labor union interests from Dole's interests in contract labor from labor cooperatives.¹²⁸

Labor cooperatives have not only provided Dole with an inexpensive and illegal means to obtain labor, but have also secured Dole with long-term, cheap leases at the expense of cooperative members. Dole currently leases thousands of hectares of property, given to workers under CARP, at extremely low prices through a "lease-back" scheme.¹²⁹ As a result, workers are often effectively stripped of their land and sometimes of their jobs as well.¹³⁰

In "lease-back" arrangements, Dole "allows" peasant farmers to continue to work on their own lands, but as contract workers instead of as landlords.¹³¹ In some cases, however, the corporation has even later retrenched these workers as part of its systematic flexibilization scheme. In these cases Dole has stripped its workers not only of their lands, but of the right to work their lands, leaving them jobless as well. 3,500 such cooperative workers were retrenched from .(DARBCI). These workers were then threatened by Dole with being "de-listed" from the land reform beneficiary role, since under CARP, beneficiaries are required to work.¹³² This is essentially a land-grabbing scheme employed by Dole.

Del Monte employed the same tactics with CIARBA, a similar farmers' cooperative that hoped to benefit from a lease-back agreement. After 5 years, the cooperative never saw a written contract from Del Monte and the company reneged on its promise that it would hire members as workers. Only one member became a permanent worker. The other workers recommended by the landowner-beneficiary were either hired as contract labor or were not accepted because they did not reach certain qualifications.¹³³

Contract Labor and Labor Rights

128 Ofreneo, p3.

129 Fuwa, p23.

130 Borrás and Franco, p338, 339.

131 Flores-Obanil and Manahan, p7-9.

132 Borrás and Franco, p338.

133 Flores-Obani, Carmina B. and Mary Ann Manahan, LRAIN, "Leaseback Arrangements: Reversing Agrarian Reform Gains in the Philippines," www.landaction.org/spip/spip.php?article17.

Dole Earns Profit from Unfair Land Deal

In Bukidnon, Dole has leased 9,000 hectares of land awarded to the Dolefil Agrarian Reform Beneficiaries Cooperative, Inc. (DARBCI) under their lease-back scheme. DARBCI's initial proposal was a fair price of P13,000 per hectare per year, based on the land acquisition cost. After bargaining, however, Dole was able to secure the land under a fixed ten year lease for the extremely low price of Php3,200 a year from the debt-ridden cooperative members. The starting rental for the most recent agreement was fixed at P8,000 in the first year. According to the Bureau of Agriculture Statistics, Dole earns a net profit of around P125,000 per hectare for a one-year cropping, nearly 15 times the price it pays in rent.

DARBCI has also degenerated employment. More than half of the DARBCI members are no longer active employees. About 51 per cent of employees, as of December 1999, were categorized as "SVRs", meaning employees who were forced out of work under the early retirement program officially called as the Special Voluntary Retirement (SVR) program.

Sources: Ofreneo, p4, 6, 9. & Mataia and Soriano (2006), "The Potential for Rice Diversification in Key Rice Producing Regions: South Cotabato", in Dawe, Moya and Casiwan, *Why Does the Philippines Import Rice? Meeting the Challenges of Trade Liberalization*, International Rice Research Institute. p150 – 151.

Dole has essentially subcontracted its workforce by creating the labor cooperatives; in other words, the company has effectively removed itself from its employees by one step in the supply chain, thus muddling the employer-employee relationship.¹³⁴ This has enabled the corporation to “flexibilize” its workforce. These contract workers are not entitled to the same basic labor rights as regular workers. While some workers on cooperative lands continue to labor under regular employee status, the majority have become contract labor. In the treatment of its regular workers Dole claims to comply with international labor standards.¹³⁵ However, Dole has ensured that regular workers make up only a fraction of its workforce. Approximately 15,000 of Dole’s 20,000 employees are contract workers. Under CARP, Dole has systematically transferred over two thirds of its labor force (77%) into benefit-deprived contract labor arrangements.¹³⁶

In order to accomplish this, Dole retrenched over 3,500 of its regular workers from 1989 to 1998.¹³⁷ The corporation forced less productive workers to retire, harassing many until they quit, and hired contract workers instead. Many of the retrenched workers were even re-hired as contract workers, with agreements stating that their employment was predicated on the company’s “need of temporary workers to augment present manning” due to “abnormal increases in production requirements.”¹³⁸ By 2001 Dole employed a consistent 12,000 contract workers, unheard of before CARP.¹³⁹ While Philippine law dictates that workers must be regularized after six months, many of Dole’s workers have now labored as contract workers for years.¹⁴⁰

Dole’s contract workers are denied the same rights afforded to Dole’s regular workers. They are refused the right to organize or benefits gained in negotiations by the regular union, and are consequently left with poor wages and permanent job-insecurity.¹⁴¹

Dole’s contract labor scheme is still being implemented despite clear orders from the Department of Labor and Employment that Dole regularize its workforce. In 2006, the Philippine Supreme Court found that Dole Philippines had specifically disregarded a “cease and desist” order from the Philippines Department of Labor and Employment to end its relationship with illegal labor-only contracting cooperatives. The respondents, contractual Dole employees, claimed that they had essentially been illegally dismissed since Dole had failed to give them regular work by placing them on “stay at home status” for over six months. They also claimed that they were given a wage differential.

The Supreme Court found that Dole had violated Philippine laws by hiring contract labor in lieu of regular workers. The court was clear in its finding that Philippine laws prohibit the use of labor-only contracting precisely because it encourages circumvention of the provisions of the Labor Code on the workers’ right to security of tenure and to self-organization.¹⁴² The court then took the extraordinary step of chiding Dole for clear defiance of a lawful order ordering Dole to “cease and desist” its use of labor-only contracting. The Court then ordered that Dole reinstate the workers as regular employees.¹⁴³

Contract workers are paid far less than regular employees, and often receive less than minimum wage. According to Dole Philippines, full-time employees make Php 410 (US\$10.00) per day, which is higher than the government

134 *Borras and Franco*, p347.

135 *Dole Food Company, Inc.*, “*Dole Philippines Facts*,” 2008, www.dole.com/CompanyInfo/DolePhilippinesFacts/DolePhilippinesFacts_Index.jsp.

136 *EILER*, 10/16/08.

137 *Borras and Franco*, p348.

138 *Dole contract labor agreement: from field research conducted by EILER*.

139 *Field research conducted by EILER*.

140 *Field research conducted by EILER*.

141 *Field research conducted by EILER*.

142 *Dole Philippines, Inc. v. Medel Esteva*, G.R. No. 161115, *Philippine Supreme Court*, 11/30/06.

143 *Id.*

mandated minimum wage of Php 229.50 (US \$5.60).¹⁴⁴ Contract workers in Dole's labor cooperatives, on the other hand, are compensated through a piece-rate system or a quota system called "pakyawan." Because over 90% of the regular workers are unionized, they have been able to achieve wage increases through contract negotiations. In their 2004-2005 contract, they received a 7% wage for both years, while in their 2006 contract, they receive a 5% average wage increase each year. The union has not been able to expand the number of regular employees, however, so fewer and fewer employees will see the gains of the KMU's collective bargaining agreement. In 2007 alone, 288 regular workers were reduced through early retirement. The union will begin negotiating a new agreement in November of 2008.¹⁴⁵

In labor cooperatives, systems of remuneration differ depending on the task. There is a great amount of unpredictability in wages under the piece-rate and pakayawan quota systems. For example in clearing out weeds, women are paid a certain amount per hectare. One woman said she has been paid between \$.85 a day to \$6.40 a day, depending on how many weeds there are to clear. Pineapple harvesters are paid per ton and in 2006, workers earned about \$1.86 per worker per day. To earn more, workers skip meals and work throughout the night. In Dole's pineapple cannery, women interviewed were paid through the pakayawan system. Their wages are cut significantly if they fail to meet their quota requirements, so they often work well beyond 8 hours without overtime pay. If they exceed their quota, they are paid about \$.40 more per hour.¹⁴⁶

Health and Safety Violations

Similar to the conditions in Costa Rica, workers in the Philippines are heavily exposed to toxic agro-chemicals, taking a toll on their health. In labor cooperatives, the plantation workers are not provided with proper gear to protect them against weeding or the sharp barbs at the end of the pineapple leaves that can cut workers' skin.¹⁴⁷

There have been a number of recent reported complaints against Dole Philippines for violating health and safety codes and causing the illness of workers. In a particular 2005 incident, around 60 workers in the Fruit Receiving Department of the Polomokok processing plant complained of undue exposure to hazardous chemical fumes due to the unsafe application of toxic, corrosive materials for clean up operations run by a contracted company. Workers had to evacuate the area because a concentrated chemical, known as C190, had completely saturated the room. Workers began experiencing difficulty of breathing (bordering on suffocation), dizziness, and eye and throat irritation. According to the workers, incidents such as this occur quite frequently.¹⁴⁸

After the union reported this incident and others to the Department of Labor and Employment, Dole Philippines ran an intimidation campaign against union leaders, charging one with libel, in his accounting of the issues to a reporter, described below. See Below and Environmental Section for more

Anti-Union Repression

Dole Philippines has employed criminal libel as an offensive tool to intimidate union leaders and silence any criticism. In 2006, when Dole Philippines (Dolefil) and the workers' union, AK-NAFLU-KMU (Amado Kadena), were engaged in contract negotiations, Dolefil filed charges of criminal libel against then leader of the Amado Kadena Dolefil workers' union.

Dolefil management wrote a letter accusing the union secretary of making a false and malicious statement against the company and threatened to fire him for committing "a crime or offense by the employee against the

144 Dole Food Company, Inc, "Dole Philippines Facts," 2008, www.dole.com/CompanyInfo/DolePhilippinesFacts/DolePhilippinesFacts_Index.jsp.

145 Email correspondence between ILRF and EILER, 10/16/08.

146 Field research conducted by EILER.

147 Field research conducted by EILER.

148 Letter from leader to Mr. Buranday, 7/23/06. On file with the ILRF.

employer."¹⁴⁹ Dolefil's Manager for Industrial Relations, Robert Buranday, accused the union leader of making false statements to a reporter concerning Dolefil's disposal of chemicals in a waste basin behind the facility.

The union responded to Dolefil management by admitting that he had been interviewed during the prayer rally, but he denied that he had made many of the statements described in the article regarding Dole's waste disposal.¹⁵⁰ The union leader had, however, openly described a series of incidents where employees had complained to Dolefil that they had been exposed to chemicals. In the response letter to Dole, he included data from the local hospital that attributed a rise in upper respiratory track infections to the constant exposure to chemical fumes in the facility.

Despite such data, Dolefil management, directed by Mr. Kevin Davis, decided to press charges anyway. The union leader was arrested and held by police for 8 hours, and for two years now, has faced criminal charges hanging over his head. He still faces the possibility of going to jail for multiple years if he is found guilty. Despite efforts to work through legal counsel to get the charges dismissed, the government prosecutor's office and Dolefil have ignored his requests.

Union leaders and members also faced illegal pressure tactics by Dolefil aimed at weakening the union during the collective bargaining negotiations in 2005 - 2006.¹⁵¹ The union has alleged in court that Dolefil fired dozens of union members, and suspended hundreds of others, illegally and in retaliation for their union activities. They are currently seeking reinstatement of their colleagues. Dolefil and the Union agreed to a CBA in October 2007, nearly two years after the last agreement had expired, and they will be beginning a new round of mid-contract negotiations early in 2009.

Dole engages in business practices that the Philippine Supreme Court ruled were in direct contravention of Philippine labor laws. Further, the court found, and that Dole had for years ignored orders by the Department of Labor and Employment to end these practices.¹⁵²

Women in the Workplace

Filipino working women have been most affected by the growth of the pineapple industry. Most of the workers who were fired or offered voluntary resignation since Dolefil began to use labor flexibilization in the 1980's were regular women workers. The majority of the women working today are contract laborers from labor cooperatives. In the agriculture division, their job includes harvesting, planting, and field maintenance. In the manufacturing division, they are in charge of the preparation, processing, warehouse packaging, and other tasks in the cannery.¹⁵³

Some of the negative environmental impacts caused by the expansion of large scale pineapple production include

149 Letter from R. Buranday, Manager of Industrial Relations, Dolefil to Mr. Serohijos, 7/21/06.

150 Letter from to Mr. Buranday, 7/23/06, On file with the ILRF.

151 The Dolefil Union and Management were engaged in collective bargaining agreement (CBA) negotiations for nearly two years, as they had failed to reach agreement on several provisions. One of those provisions was a rice subsidy, whereby Dolefil had agreed in the previous CBA to provide the union with rice for their families and communities. The Union then sold the rice at below market rates to its members and their family, subsidizing the rising cost of food. Dolefil management, however, refused to agree to this provision again, arguing that they should only have to pay money towards rice. As Dolefil continues to expand production, replacing food crops with export crops, food security is a serious concern to the Union and the community, as was underscored by the rice shortage and dramatic rise in prices for rice over the past year. However, the union was unable to get Dolefil to agree to continue the rice subsidy, and have therefore been hit hard by the rising cost of rice.

152 Dole Philippines, Inc. v. Medel Esteva, G.R. No. 161115, Philippine Supreme Court, 11/30/06.

153 Field research from EILER.

Environmental, Community and Social Impacts

the chemical contamination of water sources used by local communities, the changes and disappearance of river channels, deforestation, erosion, soil dryness, compaction, sedimentation, the deterioration of the microbiology activity of the soil, and the influx of pests caused by monoculture practices. These effects have thus altered the ability for native flora and fauna to thrive, created public health concerns, and disrupted the activities of small farmers. Residents of countries dominated by pineapple export, namely the Philippines and Costa Rica, have become economically vulnerable to the volatility of the global market as more and more land is used for export crops, and not basic food staples. Many argue that the expansion of the pineapple sector has led to the demise of local, small farmers and their production of basic food staples because land for livestock and grain is being replaced by land for pineapple production.

Pests attracted to pineapples have attacked livestock in the northern regions of Costa Rica, and many cattle have died as a result. A large coalition of community groups led by Foro Emaus, a Costa Rican human rights and environmental organization, have become vocal activists against the expansion of the pineapple industry to demand that the Costa Rican government implement more stringent regulations to end environmental and community destruction.

In the Philippines, the Bukidon province local government banned the toxic chemical, endosulfan, after opposition was strongly vocalized. The following sections will detail the environmental impacts of the industry.



Agro-Chemicals and Pollution

The intensive use of pesticides has had far reaching effects, not only on the workers who are directly exposed, but on neighboring communities, land, and local ecosystems. It is thought that around 60% of the chemicals used in pineapple plantations go directly into the outside environment (the soil, air, and water) while the rest soaks into the fruit.

Unlike bananas which keep the majority of the pesticides out of the fruit by means of a resistant peel, the pineapple absorbs the majority of the chemicals.¹⁵⁴ Some of the agro-chemicals used for pineapple production include pesticides of proven toxic potential for humans, such as Paraquat, Lindano, Malathion, Parathion, Bromacil,¹⁵⁵ Diuron,¹⁵⁶ and Triadimefon.¹⁵⁷ Their applications can cause serious damage to water sources, soils and/or other live species.

¹⁵⁴ Salazar Alvarado, Omar, ASEPROLA, "La producción de piña en Costa Rica," <http://www.aseprola.org/leer.php/145>.

¹⁵⁵ Bromacil has been tested by the EPA and proven to damage the testes, liver, and thyroid. Extension Toxicology Network (EXTOXNET), "Pesticide Information Profile: Bromacil," 9/93, <http://pmep.cce.cornell.edu/profiles/extoxnet/24d-captan/bromacil-ext.html>.

¹⁵⁶ Diuron has been linked to brain damage and cancer. PAN Pesticides Database, "Diuron," 2008, pesticideinfo.org/Detail_Chemical.jsp?Rec_Id=PC33293.

¹⁵⁷ Triadimefon was proven to increase cholesterol and negatively impact the liver and kidney. Toxicology Network (EXTOXNET), "Pesticide Information Profile: Triadimefon," 5/94, pmep.cce.cornell.edu/profiles/extoxnet/pyrethrins-ziram/triadimefon-ext.html.

The use of pesticides that have not been authorized by the US Environmental Protection Agency are often involved in pineapple production in Costa Rica, such as Temik, Counter and Mocap.¹⁵⁸ In the Philippines, the list goes on to include more pesticides that have been banned abroad including Namacur, Diazinon, Thiocyan, Endox, Telone, Dinoseb, Difolatan, Basudin, Orthane 400, EPN, Mocap, Dursban, Lorsban, Heptachlor, and Lindafor.

In July 2008, the Costa Rican Institute of Aqueducts and Sewers published a study showing that over 6,000 people in fruit production region of Siquirres, Costa Rica had been drinking water contaminated with the pesticides Bromacil, Duiron, and Tradimefon from surrounding plantations.¹⁵⁹

Residents in the north of Costa Rica can see the contamination on a daily basis:

Hundreds of fish turn up dead – in the bed of the Tejona gully – tributary of the San Carlos River – where it passes through San Jorge de Cutris (northern zone). Neighbors commented that they smelled very disagreeable odors coming from the gully. This is the sixth time this year that this kind of thing has happened in the north, and the neighbors presume that the cause was contamination by agrochemicals. In San Jorge and nearby areas, there are several companies that grow pineapple.¹⁶⁰

Similar environmental and health problems have ensued from Dole's dominant presence in the Philippines. Dolefil (Dole Philippines) disposes its liquid wastes through a canal into a waste basin, a few kilometers from the cannery in Barangay. When released from the basin, these wastes flow directly to a river leading to the Sarangani bay. Residents can no longer drink water from the deep well because it tastes "unpleasant". They suspect that it is already contaminated with chemicals but cannot afford to test the water.

Similarly, thousands of residents who live near a cannery in Southern Mindanao have reportedly suffered from headaches and dizziness. According to documents from the Howard Hubbards Memorial hospital near the Dole cannery, tens of thousands of workers and citizens in the area contract illnesses like upper respiratory tract infections, bronchitis, musculoskeletal disease and urinary tract infections every year. Hundreds have chronic bronchial asthma and hypertension. The same documents revealed that more than 70 percent of patients treated for the above diseases are employees of Dole Philippines.¹⁶¹

Soil Deterioration

Pineapple cultivation has deteriorated the soil through erosion, compression while monoculture production has led to deterioration in microbiological activity.¹⁶² Run-off from the planting area and the preparation practices of the soils facilitates erosion. Compression is associated with the use of machinery in the process of planting or harvesting the crop. Soil deterioration is caused by the intensive use of herbicides and fungicides, used to combat pests to which the crop is susceptible. These chemicals kill the pathogens, and the species living in the soil, including those that do not have any negative effect on the pineapple.¹⁶³

158 *Quijandría, et. al, 2007, p8.*

159 *Frente de afectados por la expansión piñera, "6000 personas toman agua contaminada en Siquirres", 7/7/08, detrasdelapina.org/index.php?option=com_content&task=view&id=49&Itemid=30.*

160 *On October 7, 2004 the press (Al Día, 12) mentioned a complaint filed against a pineapple company located in the community of Pital (northern region), which "fumigates the plantation on the edge of the public road at any time of day, and people thus have contact with the product, which spreads with the help of the wind."*

161 *Field Research from EILER.*

162 *Quijandría, et. al in Acuña, 2004, p38.*

163 *Quijandría, et. al., 2007, p7.*

Small Farmers, Land, and the Current Global Food Crisis

Due to the increase in production demands, the land for harvesting pineapples has increased in price and natives of the area have been displaced to other nearby towns. Those that have managed to stay are now suffering the consequences of poor health regulations and harvesting techniques. In addition, land conversion to high-value crops like pineapple have overtaken land formerly used to cultivate basic food staples like rice and corn in the Philippines and Costa Rica. Many attribute grain shortages and global food crisis to agribusiness expansion on the part of giants like Dole and Del Monte.

The Health Secretary of the main farmworkers' union in Costa Rica, SITRAP, and the President of the Environmental Association of Siquirres, said in response to the pineapple grower's association of Costa Rica (CANAPEP), "[CANAPEP]... should explain where all of the small producers went that in the past had their fertile soils inundated by corn, beans, rice, potatoes, and fruit which is now being used for pineapple, aggravating the effects of the food crisis and food dependence in the country."

Monoculture practice in large-scale pineapple production makes crops vulnerable to serious pest attacks or climatic factors. The genetic uniformity means that producers, especially small producers, are subject to losing their entire crop in the event of a pest attack.¹⁶⁴

The massive infestation of insects, particularly flies and mosquitoes, came with the expansion of large-scale pineapple production and has had a dire affect on local ranchers' ability to maintain livestock. Local Costa Rican farmers report that their cattle have had trouble reproducing since the influx of insects. The insects bother the animals so much that they lose their appetite and have died of hunger. Cattle also drink chemically contaminated water that, in turn, is consumed by locals as they drink milk produced by these cattle.¹⁶⁵



164 *Quijandría et. al, 1997, p8.*

165 *Foro Emaús, 2007.*

Case Study: A Little Town Fighting for Big Change

The pineapple industry has not necessarily improved the overall economies of the towns where they operate. For example, the town of Buenos Aires has been dominated by the industry for 25 years and is now the second poorest county in the country.¹⁶⁶

La Perla, a small town on the edge of Costa Rica's northeast coast, is single-handedly fighting against a million dollar pineapple industry. Since 2007, the residents of La Perla have been campaigning to shut down Tico Verde, an expansive pineapple plantation that is the source of considerable environmental, social, and labor rights complaints.

Locals charge that the pineapple plantation has polluted nearby rivers and waterways with toxic chemicals. Run off has killed native fish populations like tilapia and made water sources turn gray, and on certain days even white. La Perla resident Ana Maria Chinchilla claims that the gully near her home has been reduced in size and strength: "it was clear and you could even drink from it; but, now, you can't even go in it and you have to make sure the children don't play in it," she said.¹⁶⁷

The town further worries about erosion that threatens the local aqueduct. Hugo Vindas, member of the organization La Perla's Aqueduct, cites pipe ruptures becoming commonplace because of damages caused by Tico Verde's pineapple cultivation. The community also fears that agro-chemicals have been spilling in nearby grates and into the water carried to more than 130 families. If this proves true, it means that surrounding villages like El Cairo, Milano, La Francia and Luisiana have been consuming chemicals like Bromacil, Diuron, and Triadimefon every day in their drinking water.

Tico Verde's evils are not purely environmental; the community of La Perla has seen Costa Rica's growing pineapple monoculture tear families apart. As the local newspaper, *Semanario Universidad*, notes, local families are forced to sell their small farms in order to make way for ever-expanding pineapple plantations. They do not sell their land out of greed; but because they have no choice as pineapple plantations encroach on and eventually consume neighboring land.

In turn, the pineapple plantation often claims to generate badly needed jobs. When the pineapple plantation first came to La Perla, they promised practically everyone would have a job; but a recent census showed only nine locals work there. The rest are Nicaraguans who were brought by cattle cars and housed in subhuman conditions to work as poorly paid sub-contracted labor. Ninety-five percent of these workers are often given a contract valid for 80 days; they are then fired and replaced.¹⁶⁸

When SETENA (Costa Rica's National Environmental Association) came on July 18, 2007 to investigate the town's claims of environmental degradation, a solution seemed on the horizon. Evaluations showed that Tico Verde had no safety mechanisms to stop erosion and the release of chemicals. The official report cited bad terrain that "favored pesticide contamination" and that rain allowed "toxic chemicals emigrate to bodies of water."¹⁶⁹ SETENA ordered Tico Verde to stop all operations by September 14, 2007. La Perla residents rejoiced.

Three months later, Tico Verde was still continuing to produce pineapples. *Semanario Universidad* investigated the delay. Investigators questioned Gerardo Fuentes, the mayor of Guacimo, a neighboring town. His answer was simple: bureaucratic inefficiency. He had too many papers to sign, and someone might have not done their job to get the right one to him. Besides, he added, "here pineapple creates 5,000 jobs."¹⁷⁰ There has been no additional oversight

¹⁶⁶ FRENASAPP flyer, 10/08.

¹⁶⁷ Córdoba Morales, Javier, *Semanario Universidad*, "Comunidad exige cierre de piñera en Guácimo," 10/25/07, www.feconcr.org/index.php?option=com_content&task=view&id=312&Itemid=76.

¹⁶⁸ *Informa-tico.com*, "Piden a Fiscalía frenar expansión piñera en Guácimo y Siquirres," 11/27/07, www.feconcr.org/index.php?option=com_content&task=view&id=347&Itemid=76.

¹⁶⁹ Morales.

¹⁷⁰ Morales.

of the process to shut down Tico Verde. SETENA asked them to close, and they did not. There has yet to be any punishment.

In April, six months after SETENA told Tico Verde to close, the plantation maintains operations. "Now we're worried because it's like we're giving them a free pass," said community leader Luis Fernando Cruz. "With SETENA, the problem is that they fired people and others came that don't know anything about this issue."¹⁷¹ Just four days after Cruz voiced his concerns, Tico Verde announced they would apply to continue operating. "The company has been respectful...we are currently certified under the Eurepgap standard, which confirms good agricultural practices," said a recent press release. "The company has fulfilled all of SETENA's recommendations."¹⁷² The La Perla community is skeptical. They say tests as recent as March 28th confirm the presence of chemicals in their water system.

The company seems to have won, however – in June, SETENA gave them an "Environmental Viability" award. According to Sonia Espinoza of SETENA, Tico Verde had made the necessary changes and would now be monitored to be sure that they followed through on their promises. The Municipality of Guácimo, however, is keeping the company's packing plant closed, while the community is appealing SETENA's decision.¹⁷³ Community groups continue to protest the presence of the plantation and the potential contamination to their water supply, while the government remains unresponsive to their demands.



¹⁷¹ *Ibid.*

¹⁷² *Saludprensalibre.co.cr*, "Empresa Agroindustrial Tico Verde solicita que sea reabierto su planta," 4/28/08, www.feconcr.org/index.php?option=com_content&task=view&id=532&Itemid=76.

¹⁷³ *Federación Ecologista*, "Comunidades dudan de compromisos ambientales de piñeras," 6/12/08, www.feconcr.org/index.php?option=com_content&task=view&id=741&Itemid=76.

Community Impacts and Poverty

Long workdays in the pineapple sector leave people very little time to spend with their families. “Workers’ schedules make it impossible for them to attend community and religious activities. The pineapple industry does not invest in the social infrastructure of the communities and the dominance of the industry has created environmental degradation, corporate dependence and economic instability.”¹⁷⁴

Alternative Initiatives and Certifications

The high cost of importing fertilizers and pesticides from abroad, partly due to high oil prices over the past year, has created an incentive for companies to seek alternative methods of combating insects. Around 80% of the 12,000 producers of pineapple are supposedly implementing plans to reduce agro-chemicals with the goal of eventually eliminating them, according to industry spokesmen.¹⁷⁵

In recent months, pineapple producers have promised to reduce the use of agro-chemicals in production. Particularly in Europe (but also in the US and Canada), there has been concern among consumers about the high use of dangerous chemicals in pineapple production and groups have demanded that the pineapple producers eliminate all chemicals by 2012. Because of such pressure, Dole announced that it would discontinue its use of the herbicide Paraquat in its agricultural operations worldwide starting its phase-out in October 2007.¹⁷⁶

The CANAPEP, Costa Rica’s Association of Pineapple Producers and Exporters, responded with public relations messaging and has supposedly formed a commission to promote socially and environmentally responsible practices. Local groups have said, however, that this commission is simply a tactic and that they have not changed the practices that have caused so much social and environmental degradation.

Similarly, certification programs such as the Fairtrade Labeling Organization and Eurepgap have been implemented to monitor labor and environmental standards. Foro Emaús, a local group that promotes human rights and environmental sustainability in the pineapple growing region, has said that these programs are not adequately implemented. Companies may change their practices in preparation for certification inspections but do not enforce the standards that they claim to adopt.¹⁷⁷

Dole claims to take social and environmental responsibility very seriously and boasts that that it has the SA 8000 certification, the social accountability standard developed by Social Accountability International.¹⁷⁸ This certification has been considered a “disguise” by local labor and environmental groups, given Dole’s heavy employment of temporary workers, poverty level wages, and use of pesticides harmful to workers’ health and the environment.

The only plantation with organic certified pineapples in Costa Rica, Finca Corsicana, is a Texan-owned Dole supplier in Costa Rica.¹⁷⁹ The plantation had its Fairtrade certification suspended in November 2006 because of trade union rights violations against its mostly Nicaraguan migrant workforce.

174 *Acuña, 2004, p51.*

175 *La República.net, “Piñeros inician carrera contra agroquímicos,” 7/8/08, detrasdelapina.org/index.php?option=com_content&task=view&id=51&Itemid=30.*

176 *Dole Press Release, 10/8/07, www.dole.com/CompanyInfo/PressRelease/PressReleaseDetail.jsp?ID=1638.*

177 *Conversation with Lourdes Brenes Parajeles, Executive Director of Foro Emaús.*

178 *Dole.com, “Social Accountability International 8000 (SA 8000),” dolecsr.com/Principles/Certifications/SA8000/tabid/594/Default.aspx.*

179 *Castillo Nieto, Silvia, Capitolfinanciero.com, “Certificaron finca de pina organica,” 3/29/07.*

Conclusion

Pineapple industry associations in Costa Rica and the Philippines have boasted that the exponential growth of the export pineapple sector has promoted the progressive development of their countries and created thousands of jobs. In an op-ed piece on July 14, 2008, the President of CANAPEP said, “The pineapple hasn’t come to displace anything or anybody but instead has highlighted a new development option for our economy that needs to move forward in a sustainable manner for the country to benefit all of its inhabitants.”¹⁸⁰

While it may be true that some jobs have been created and income has been generated, we must recognize that the expansion of the pineapple industry has also displaced land and people from other productive employment, and has had destructive effects on the environment in producing communities. The notion that residents’ lives are improving in pineapple growing regions must be put into context. In the following section, we offer recommendations that would challenge companies, governments, and consumers involved in the sector to make fundamental reforms in order to move towards social, economic and environmental sustainability.

Omar Salazar, the Executive Director of ASEPROLA, a leading Central American labor organization stated, “When it comes to pineapples, we have two important goals: the workers who grow the pineapples in Costa Rica must be able to live a decent life and families in Europe [and the elsewhere] should rest assured knowing that the pineapples they eat were produced under humane working conditions and without damaging people or nature.”



¹⁸⁰ Chávez Trigueros, Abel, *La Nacion*, “Piña dulce, pensamiento amargo,” 7/14/08, www.nacion.com/ln_ee/2008/julio/14/opinion1619309.html.

Recommendations

Much needs to be done to change the pineapple industry so that it can improve the lives of workers, their families, their communities, and the environment. Reforming the global food system from the supermarket shelf to workers in the fields will involve a shift in power dynamics amongst food retailers, major agricultural export industry players, small farmers, and workers. In order to achieve a more just global pineapple supply chain, we recommend the following actions to improve labor conditions:

To Pineapple Producers and Retailers:

- **Follow the law:** All workers are entitled to basic labor rights as stated in the International Labor Organization's core labor conventions. Producers must adhere to all national laws. When governments do not enforce national and international laws, companies are still expected to adhere to the law. In collaboration with trade union organizations and credible labor rights NGOs, companies should facilitate independent education and training for workers and management personnel concerning labor law and international conventions.
- **End short-term contract labor:** Companies should take a positive, public position in support of legal restrictions on the abuse of short term contract labor and dispatched labor schemes. Companies should promote labor practices that enhance workers' coverage under basic labor laws instead of encouraging processing facilities and farms to seek an increasingly flexible workforce.
- **Retail companies should support suppliers' ability to undertake these actions without penalty in the market by adjusting** purchasing practices to factor in the cost of such practices among all suppliers, rather than pitting suppliers against one another in a race to the bottom.
- **Introduce a fair quota with a fair wage.** Companies should ensure that workers are paid a living wage that reflects living costs and inflation, should lower production quotas to protect workers' health and safety, and should pay workers for all overtime hours. Piece rate should be entitled to that standard living wage.

Steps by retailers to enforce such policies include:

- Commit to giving preference in sourcing to suppliers that meet a higher standard on wages.
 - Introduce fair trade policies in supply chains, through fair pricing, so that employers can truly invest in their workers and reward them for their hard earned labor.
 - Actively ensure that employers are fairly *distributing* wages and enforcing overtime laws.
- **Respect freedom of association and collective bargaining. Stop unfair retaliation and firing of union leaders.** Instead of investing in anti-union mechanisms like the Escuela Social Juan XXIII, that is intended to scare workers out of joining SITRAP, companies should allow union officials to freely talk to workers. Freedom of Association is a core labor standard under the ILO conventions, and a basic human right.

Steps to encourage a positive climate for freedom of association include:

- Preferential placement of orders in unionized farms and factories
 - Taking a positive, public position in support of the right of workers to associate and to bargain collectively, and communicating that position to governments that continue to restrict this fundamental worker right
- **Reduce the use of toxic agrichemicals on pineapple plantations.** If such chemicals are necessary, companies should provide workers with good quality protective gear and free laundry services and ensure that they are adequately trained to work under exposure to such chemicals. Companies should ensure that these chemicals do not enter the air or water supply of surrounding communities. Companies should implement organic cultivation practices whenever possible and retailers should strongly encourage organic certification.

To the US Government:

- **The US State Department**, through USAID should use resources allocated for labor law enforcement projects under CAFTA to promote freedom of association and stronger labor standard, as under CAFTA, pending implementation, Costa Rica will be able to import duty free pineapples.
- **The USTR should include a review of the effectiveness of Costa Rican and Filipino labor law enforcement**, with a focus on freedom of association and violations in contractual forms of employment, in the next USTR national compliance report.
- Under the Generalized System of Preferences (GSP), **USTR should not extend additional benefits to Dole Philippines to import duty free pineapple products until a full review of the labor situation is realized** and until the company agrees to practices that allow a greater share of benefits to be retained in the Philippines.
- **The US Government in its overall bilateral diplomacy should encourage both the Costa Rican and Filipino governments to pass stronger labor laws** that grant equal rights to temporary, contingent, or contract workers in regards to remuneration, rights to join the union and receive contract benefits, and any other rights granted to regular workers.
- **The US Department of Labor should undertake a study of the effects of the consolidation of food retailers** on small companies, suppliers, workers, and consumers, particularly how their concentrated buying power may lead to labor cost cutting along agricultural supply chains. The government should publish a study of the investigation. A similar study should focus on large US based agricultural suppliers (for example, Dole and Del Monte).

To the Governments of Pineapple Producing Nations:

- **Pass laws that grant equal labor rights and benefits to all workers**, including temporary, subcontracted, and migrant workers.
- **Protect freedom of association by following up and acting on all complaints.** Penalize companies for employing anti-union tactics such as “layoffs” to get rid of union members and intimidation through the Escuela Social Juan XXIII or paramilitary forces.
- **Ensure that all workers receive the minimum wage.** Raise it periodically to reflect inflation and increased costs of living.
- **Pass laws to ensure that production quotas protect human rights**, particularly the health and safety of workers. Revise hour and workday laws to prevent mandatory overtime. Increase overtime payments so that workers are fairly compensated during high production season. Ensure that workers are compensated for extra hours beyond 8 hours a day, 40 hours a week.
- **Enforce and strengthen laws regarding the use of protective gear** and regulate workers’ exposure to dangerous agrichemicals. Ban the use of all highly toxic chemicals.
- **Subject employers to detrimental fines or legal action if they fail to comply with labor and environmental laws.** Hold companies liable for the actions of foremen and subcontractors. Put more resources into inspecting worksites so that enforcement is taken seriously. If adequate resources are not available, raise taxes on the pineapple companies that are profiting from lax law enforcement.

To Consumers in the US

- **Contact Dole, Del Monte, or your local supermarket chain** to demand that they ensure fair working conditions and respect labor rights along their pineapple supply chains. Tell supermarkets to adopt purchasing policies which help to improve labor and environmental conditions on their suppliers' pineapple plantations and processing facilities. They must include a fair premium for labor costs in their pricing policies so that suppliers do not have an incentive to undermine their workers.
- **Contact your Congressional Representative or Senator** and ask that they negotiate *fair* trade agreements that adequately enforce strong labor and environmental standards in countries with which the US trades. New agreements should not be modeled after NAFTA or CAFTA. Since CAFTA has already passed, express to your representative that we must actively follow up on all complaints and fully utilize the complaint procedure that currently exists.

Appendix I: Chart of Chemicals Used in Pineapple Producing Regions

CHEMICAL	HEALTH HAZARD INFORMATION
Bromacil	<ul style="list-style-type: none"> • Eye, nose, skin and throat irritation • Redness and itching of the eyes, runny nose, scratchy throat, and redness, dryness, and cracking of the skin¹
Endosulfan	<ul style="list-style-type: none"> • Central nervous system and respiratory effects such as suicides, accidental deaths and seizures • Malaise, fainting, seizures, convulsions, agitation, shortness of breath and cough² • May increase risk of autism, delay puberty in boys, and cause birth defects of the male reproductive system³
Diazinon	<ul style="list-style-type: none"> • Allergic skin reactions • Cholinesterase, the symptoms of which include headache, dizziness, anxiety, muscle twitching, vomiting, diarrhea, wheezing, cough, and more⁴
Diuron ⁵	<ul style="list-style-type: none"> • Linked to brain damage and cancer • Nausea, vomiting, diarrhea, headache, confusion and electrolyte depletion. • Protein metabolism disturbances, moderate emphysema, and weight loss with chronic exposure.

1 www.cdc.gov/niosh/pdfs/0063.pdf, Accessed 10/1/08.

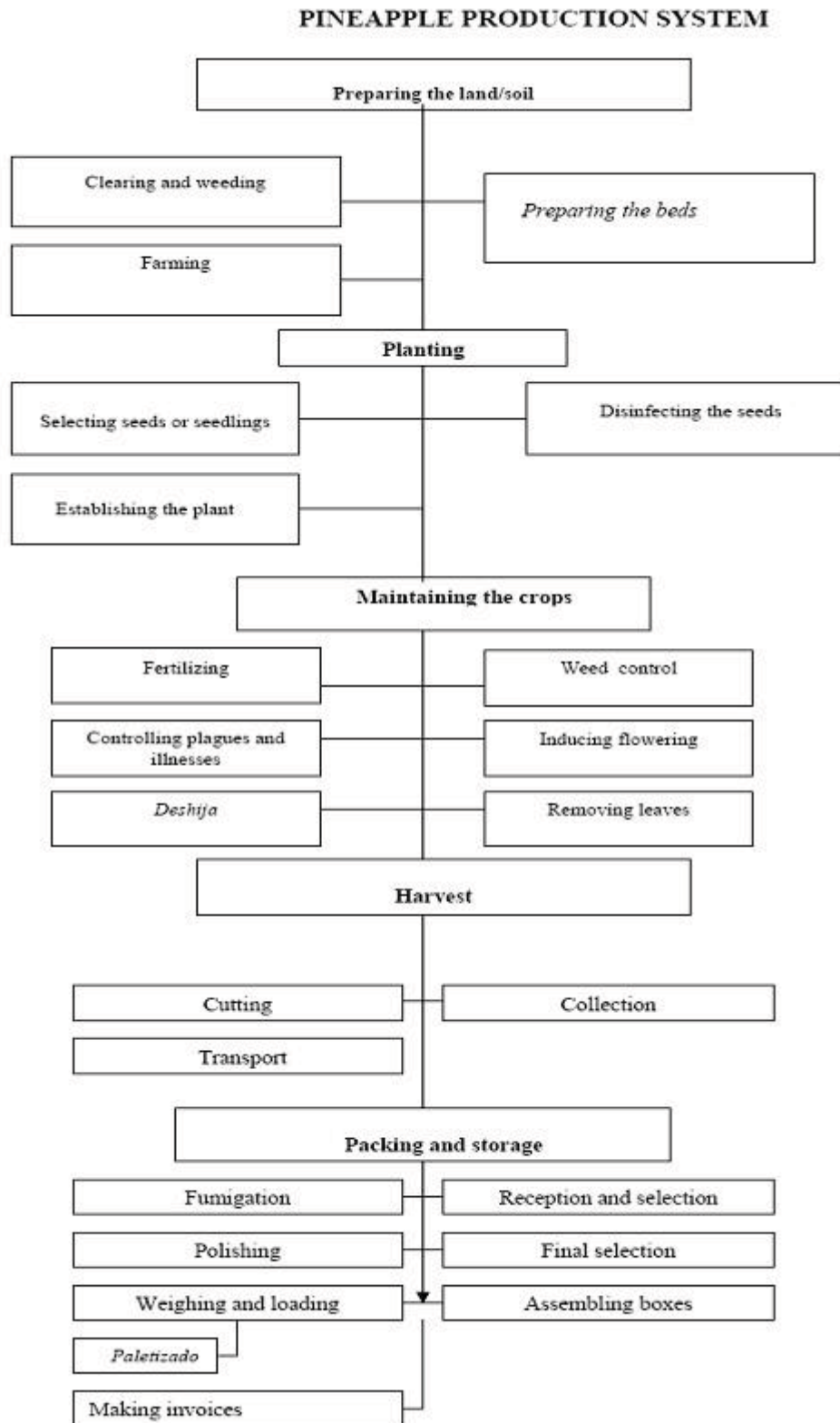
2 www.cdc.gov/niosh/pdfs/0251.pdf, Accessed 10/1/08. .

3 www.panna.org/campaigns/endosulfan/health, Accessed 10/1/08.

4 www.cdc.gov/niosh/pdfs/0181.pdf, Accessed 10/1/08.

5 pesticideinfo.org/Detail_Chemical.jsp?Rec_Id=PC33293, Accessed 10/1/08.

Appendix II: Graph of Pineapple Production System





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