

Terms of Reference for Joint Committee on Responsible Labor Practices

Introduction

In late 2015, the Boards of Directors of the Produce Marketing Association (PMA) and United Fresh Produce Association (UFGA) formed a Joint Committee on Responsible Labor Practices (Joint Committee or Committee). This document sets out the scope and purpose of the committee's work.

Scope of Work

The objectives of the Joint Committee are to:

1. Develop principles for industry-wide responsible labor practices in the global fresh produce and floral supply chains that promote and reinforce worker respect and dignity, drawing on knowledge and experience from members throughout these supply chains.
2. Develop a vision for coordinated, industry-wide action to educate industry members, trading partners and consumers on these principles.
3. Develop a time-bound action plan to facilitate a harmonized or benchmarked process that allows trading partners to engage with one another in verifying and measuring successful implementation of these principles.

The Need

Assuring workplace safety, respecting worker dignity, and complying with all applicable legal requirements are important objectives that the large majority of floral and produce industry employers work to implement every day. Yet, our industry can attract sometimes vulnerable or at-risk workers such as migrants, foreign guest workers, minorities and women. While the majority of agricultural employers provide good jobs and conditions, foster respectful relationships with employees, and ensure appropriate worker conditions, any reports of labor violations unnecessarily taint the entire industry.

The lack of a clear industry framework to communicate, reinforce and promote standards can lead to misunderstanding of conditions among our workforce, and is leading some purchasers to create their own proprietary programs to provide assurance of supply chain compliance.

At the same time, consumers are increasingly concerned with the production methods, origins, and externalities associated with the food and flowers they purchase. Consumer interest may bring mounting pressure from different trading partners, governments and consumers. We recognize there is a growing trend toward transparency and accountability in global supply chains, particularly as governments become more active in preventing trade in goods or commodities that may have been tainted with forced labor or child labor.

We are concerned that standards will be imposed on the industry collectively, or the industry will continue to splinter in different directions resulting in multiple standards and verification practices, as seen in other industries such as apparel or consumer goods. We believe that a continuing proliferation of different codes of conduct and approaches to verification of corrective actions, resulting in multiple audits, will ultimately hamper the improvement of labor practices in the supply chain, as employers spend more time on paperwork than on investing in opportunities for improvement. We recognize that some approaches have been created both inside and outside of the industry, but these have faced challenges reaching a large audience due to costs and the intensive nature of engagement. These developments contribute to a confusing and fluid environment that risks a shift in financial resources away from performance improvement.

In developing our framework for coordination, we want to draw on existing initiatives to ensure good social performance and support a culture of treating our workforces with dignity and respect. The Committee's goal is to create opportunities for harmonization and convergence of efforts across all facets of our supply chain in order to support industry practices that are consistent with international legal standards as well as national and local laws. A new dialogue around common industry expectations will enable the produce and floral industry to enhance transparency across the industry, accelerating learning and supporting industry members who are working to implement these core values. In so doing, the industry will also be able to effectively communicate our core values.

Our Values

When growers, packers, distributors, marketers and retailers of fresh produce and flowers join forces to address these issues, we create an opportunity for dialogue and alignment around elements that are critical to the success of our industry in its entirety.

We vow to make the fresh produce and floral industry one that is a source of pride and engagement for workers.

We believe that workers in global fresh fruit, vegetable and flower supply chains deserve to be treated with dignity and respect. We seek to engage and support transparent communication and dialogue between workers and employers that assures appropriate employment condition and jobs.

Legal compliance, dignity and respect

We abide by the laws that govern our industry. Aware that our industry can attract sometimes vulnerable workers, we insist on strict adherence to the law, as well as a clear and well-defined commitment to treat all workers with dignity and respect.

Socially responsible across the industry

We seek to create an environment where fruits, vegetables and flowers are grown and sourced responsibly, that includes the entire supply chain – whereby our growers are committed to treating workers with dignity and respect and our buyers are careful to use expectations for growers that they themselves can follow and are also committed to responsible purchasing practices.

A source for learning

We believe in a process to educate, exchange ideas and best practices, validate current conditions and inspire continual learning and progress for all workers across the produce and floral supply chains. To allow the spread of insights and shared learning, we commit to a high degree of transparency, including information about workplace practices. We intend to serve as a hub for education to help those who grow or who wish to learn about production.

Inclusive but robust

The desire to ensure global participation drives us. We respect the huge diversity among growing regions and cultural practices in the produce and floral industry. Understanding growers domestically in the United States and internationally face different environments, we seek to ensure principles of good labor practices are developed in a way that addresses growers in areas of varying levels of economic development and legal frameworks. To reduce barriers to implementation, we will seek wherever possible to minimize overly burdensome requirements and to have industry expectations that are fit for purpose. To ensure accessibility, we will share information freely, provide tools in multiple languages, and continuously assess whether we are reaching those most affected or in need of information.

Relevant

We will ensure that our commitment to responsible labor practices is also reflected in programs that address the priority issues for workers. We recognize that priorities evolve and as an industry we will need a process to take it into account.

Accountable

We recognize that many stakeholders, both within and outside of the industry, will have questions, perspectives and potential concerns. We will support mechanisms to make relevant information freely available throughout the development of these principles as we create a culture of transparency and continuous improvement that will rely on ongoing feedback. We pledge to use inclusive consultation processes for incorporating input from stakeholders into the principles of responsible labor practices. Those who are most instrumental to the success of this work must be part of shaping it.

Who and How

Our Joint Committee is chaired by Brian Kocher of the Castellini Group of Companies, on behalf of UFPA, and Russell Mounce of Sam's Club on behalf of PMA. The Committee (see below) includes members representing both suppliers and buyers, seeking to achieve diversity of composition across all segments of our industry.

Between December 2015 and June 2016, the Committee held three initial planning meetings to discuss goals and objectives and to set up the processes with appropriate resources needed as a foundation for

the hard work that undoubtedly lies ahead. The Committee will work with the assistance of expert consultants and input from a wide range of voices in agriculture.

We are at the very beginning stage of this process and now intend to engage over the course of the fall 2016 with a broader set of stakeholders around the industry to begin the work, recognizing that the input or collaboration of many stakeholders on this issue is important in order to drive success. We will meet, and then have continuing dialogue, with different industry segments of the global produce and floral industry, such as grower organizations, labor employers and retail/foodservice organizations. Ongoing engagement will be critical to ensure that we understand their specific views and can incorporate their thinking into the Committee's work.

The Committee also commits to public consultation processes (likely to be launched late fall 2016) that seek input from stakeholders that have an interest in, or may be impacted by, the Committee's work. We do so to bring in the multiple perspectives critical to establishing broadly accepted principles and striving for consensus where possible.. This includes standard setters, multi-stakeholder organizations, NGOs, investors, government, international groups, those seeking to provide a voice for workers, as well as other stakeholders serving different aspects of the supply chain.

As part of its work, the Committee will also evaluate local, national and international standards, growers' best practices, and common customer expectations for labor practices to take advantage of the opportunity to harmonize this effort with other relevant frameworks. In doing so, industry members are coming together to identify, learn from, and leverage industry practice.

We will only succeed if we lay a foundation for implementing industry expectations in an effective and efficient manner to ensure broad reach, appropriate labor practices and better communication between growers and trading partners. We know it is critical to provide business value through harmonization of approaches with key players or systems already impacting the produce and floral supply chain.

Ultimately, workers and employers in the supply chain require respect and mutual prosperity to have a thriving and sustainable business for the coming generations.

August 2016



Joint Committee on Responsible Labor Practices Members

Brian W. Kocher (Co-Chairman) Chief Operating Officer Castellini Company LLC	Russell Mounce (Co-Chairman) VP Produce and Floral, Sam's Club	
Larry Barton President Taylor Farms Mexico	Soren Bjorn Executive Vice President - Driscoll's of the Americas Driscoll's	Hugo Byrnes Ahold Global
Dave Corsi VP of Produce and Floral Operations Wegmans Food Markets, Inc.	Susan Forsell Vice President, U.S. Sustainability McDonald's Corporation	David Krause President Wonderful Citrus
David Lake President 4EARTH FARMS	Jim Lemke President Robinson Fresh	Paul Mastronardi President Mastronardi Produce, Ltd.
Frank Padilla Vice President, General Merchandise Manager Produce & Meat Costco Wholesale	Cheryl Queen Vice President Communications & Corporate Affairs Compass Group USA	Kent Shoemaker CEO Lipman
Vic Smith Chief Executive Officer JV Smith Companies	Max Yeater President PRO*ACT, LLC	Carmen Ponce VP-HR & In-House Counsel Tanimura & Antle
Sonny Rodriguez Owner The Growers Company	Matt Rogers Senior Global Produce Coordinator Whole Foods	Martha Sarra VP & Chief Ethics and Compliance Officer The Kroger Company