



OXFAM MEDIA BRIEFING

Embargoed until October 9, 2019 7pm EST

Whole Foods Continues to Fall Short

Despite new commitments, human rights abuses continue to endure in Whole Foods's supply chains, even in the US



Lianne Milton/Panos for Oxfam

Overview

New Oxfam evidence shows that human rights abuses continue in the supply chains of Whole Foods around the world, as well as in the United States. Through a series of interviews conducted in the summer of 2019 with farmworkers in North Carolina who work on farms that supply sweet potatoes to Whole Foods, Oxfam found instances of low pay that leaves workers in debt; difficult working conditions such as oppressive heat with few rest breaks and lack of access to bathrooms; and a state of fear that keeps workers silent about the abuses they suffer. Meanwhile, Whole Foods is failing to properly measure and act on human rights abuses. The company ranked at the bottom of Oxfam's [Supermarket Scorecard](#) after the last update because of its lack of transparency and accountability in ensuring that workers' rights are being respected and that women workers are treated fairly in its global supply chains. While Whole Foods' parent company Amazon's new supplier standards are important first steps, they do not go far enough to address the severity of the problems.

Lack of action on human rights abuses

Oxfam's 2018 report [Ripe for Change: Ending Human Suffering in Supermarket Supply Chains](#) demonstrated that inequality is widespread throughout the global food system and that supermarkets are a huge part of this problem.¹ Because corporate giants and big supermarkets dominate global food markets, their business models and practices to cut costs have meant that the workers and farmers who produce our food face poverty, hunger, and human rights violations.

The abuse of workers in the food industry is not confined to a few problematic products or a few troublesome locations but is instead systemic across our entire food system.² Oxfam's new report, *Workers' Rights in Supermarket Supply Chains: New Evidence on the Need for Action*, details serious workers' rights violations on Indian tea plantations and Brazilian fruit farms that together supply products to many of the biggest US supermarkets, including Whole Foods.³

Building on Oxfam's research released last year that detailed similarly shocking problems in [Southeast Asian seafood supply chains](#), this growing body of evidence indicates that leading supermarkets are still failing [to properly measure and act](#) on human rights abuses in their supply chains, [despite some signs of progress in the past year](#). Meanwhile, a growing number of investors, supermarket shoppers, and workers themselves are raising concerns about these issues and are pushing supermarkets to take action.⁴

In late September 2019, Whole Foods's parent company, Amazon, released updated [supplier standards](#), which apply to Amazon and all its subsidiaries, including Whole Foods. These new standards include some significant commitments to eliminate all forms of forced labor, promote freedom of association, and tackle migrant worker exploitation. Many of these standards directly address issues that Oxfam has been raising to all supermarkets in the past few years, and cover additional areas regarding climate change, conflict minerals, and land rights. The new standards demonstrate progress made by Whole Foods to respect workers' rights, but more needs to be done on overall human rights due diligence, transparency, gender equality, and corporate governance, subjects outlined below.

Whole Foods's announcement that it is adopting a new supplier code of conduct is an important first step. But despite this progress, Whole Foods still lags behind its competitors when it comes to human rights. Oxfam's recent [Supermarket Scorecard update](#), which analyzes some of the biggest US supermarkets' policies and practices on human rights in their supply chains, shows Whole Foods scores worst for its lack of transparency and accountability in the ways that it ensures that workers' rights are being respected and that women workers are treated fairly. While Whole Foods has had some engagement with stakeholders on human rights and recently announced the updated supplier standards, the company now needs to demonstrate real and impactful action to address the human suffering in its supply chain. Dialogue and broad policy commitments alone won't solve these issues for workers.

Workers' rights violations on American farms

Human rights violations aren't just happening in faraway places, they are present in Whole Foods's backyard here in the US. In the summer of 2019, Oxfam and its partner, the Farm Labor Organizing Committee (FLOC), conducted interviews with workers on two farms in Eastern North Carolina that supply sweet potatoes to Whole Foods, as well as to other US supermarkets such as Harris Teeter (a subsidiary of Kroger) and Food Lion (a subsidiary of Ahold USA). The interviews illustrate working conditions and treatment that are strikingly similar to conditions Oxfam found on Indian tea plantations and Brazilian fruit farms. The findings also affirm previous Oxfam research into the experience of immigrant farmworkers in the United States.

All of the workers interviewed by Oxfam and FLOC came from Mexico to work in the fields of North Carolina during the summer growing season, and all spoke about seeking work in the US because of a lack of economic opportunities at home. All were well aware of the difficult working conditions that awaited them during the hot summer months. "We are here looking for the American dream," said Ramon, one of the workers interviewed.

Workers interviewed reported working 10-hour days on average, in extremely hot conditions. Such conditions take a physical toll on even young, healthy workers, and sweet potatoes are a particularly heavy crop to pick and carry. Interviews indicated that workers received little or no health and safety training prior to starting the job; some remembered only seeing a video on the bus from Mexico to North Carolina. One worker, Emilio, reported, "Bending over all day makes your back and hips hurt a lot during the sweet potato harvest." Leticia, a labor organizer with FLOC, described the injuries that can result from this difficult work: "Sweet potato [buckets are] usually very difficult to lift, and [the job] requires workers to fill up buckets, run with the buckets, dump them, [and] come back to the field. So there's different accidents, like broken legs, sometimes there's back injuries." Another worker, Arturo, said simply that he was afraid of "dying in the fields because of the heat or getting injured."

The hard, physical labor can be compounded by few rest breaks and little opportunity or ability to take bathroom breaks while working. Oxfam found evidence of workers not being able to use the bathroom during the day, as the closest facilities can be very far away, forcing workers either to use the toilet only before or after their long work shifts or to relieve themselves in the fields where crops are grown.

It appears that on average, workers get only two five-minute breaks daily, one in the morning and one in the afternoon, along with one lunch break. Workers paid by piece rate faced the

difficult choice between either taking no breaks or making less money. Workers paid hourly experienced pressure and abuse by supervisors to shorten their breaks and return to work, and sometimes were denied breaks entirely. One worker said they would often get yelled at for taking a break to drink water when they felt dehydrated.

Workers appeared hesitant to raise concerns about their treatment because of their employment or immigration status. Guest workers interviewed by Oxfam and FLOC reported that they rarely raised concerns to avoid being blacklisted and not being invited back to work the following season. In a sentiment repeated by several workers, Pedro reported, “Many workers don’t do anything because they are afraid they will not be brought back next year, for fear of losing their jobs.”

In contrast, workers interviewed for this project who had been made aware of their rights and had access to a labor union reported that they were much more likely to have raised concerns, filed complaints, and had their problems addressed and fixed. Examples include getting hired the next season after not being rehired because of raising concerns publicly, receiving money owed due to underpayment of wages, and receiving back pay after being illegally docked wages during break times. As Pepe shared, being a part of FLOC “protects me from being fired unjustly, and when we bring up problems and want to fix them, the union helps.”

While some of the workers interviewed were undocumented, many were in the US on H-2A guest worker visas. Those with visas were recruited to come to the US by labor recruiters in Mexico, and the workers often incurred significant debts of over \$1,000 to cover the cost of fees and transportation to travel from Mexico to the farm. These debts, combined with their guest worker status, left most workers particularly vulnerable, living in constant fear. This fear was compounded by immigration raids conducted in the area by Immigration and Customs Enforcement (ICE) in the weeks preceding our interviews.

Once on the farms, workers are given very little freedom to leave the area or much personal time off. The workers interviewed for this project detailed working up to 14 hours a day, six days a week, leaving only Sundays to take care of personal needs. And even during that one day for themselves, most workers rely on the farm owner to provide them transportation to a local market or superstore to buy groceries, socialize, or send money back home, as few workers have their own cars.

The workers interviewed reported being paid either an hourly rate of just above \$12 or a piece rate, meaning they were paid based on how much produce they picked. Whether workers are paid hourly or piece rate varies by crop or the particular job they are doing (picking, packing into boxes, tending to crops, etc.). Being paid a piece rate means workers are forced to work quickly, and to reduce or skip much-needed rest breaks, in order to make enough money to support themselves. H-2A regulations require that employers make up the difference in pay when workers paid by piece rate end up earning less than they would have made if paid an hourly rate. Oxfam found evidence that this law was often not followed, and that workers were not receiving the wages they were owed, requiring an intervention from FLOC to ensure workers were properly compensated.

Underpayment leads to lawsuit

Wages paid to guest workers with H-2A visas are almost always higher than wages paid to workers without visas, but regulations require that any farm that employs both categories of workers pay all workers the same, higher rate (known as the Adverse Effect Wage Rate). [But in a recent lawsuit filed against one of these two farms](#), a group of workers without visas reported

that they had been repeatedly paid a lower rate than guest workers on the same farm, a clear legal violation. In a possible sign of acknowledgment of underpaying workers, the farm owner raised wages for workers without visas as soon as the lawsuit was filed in 2018, but has not admitted fault. The lawsuit continues in order to recoup back wages.

Underpayment of wages is particularly problematic for workers who have incurred debts to obtain visas to work in the US, especially when growing seasons mean there are fewer crops to harvest at a particular time. One worker, Pedro, incurred debts of over \$1,000 to work in North Carolina only to arrive and find no work available for several weeks. “We were just idle for a month, and that was bad because we had debts from the money we had borrowed. Things got complicated,” he said. Other workers cited the extremely high interest rates charged by labor recruiters to pay back the money they owe and how long it can take to pay them off. Workers face the choice between paying off their loans and avoiding high interest rates or sending money home to family members to help pay for education and medical care.⁵

H-2A regulations require employers who do not provide cooking facilities to provide workers with three meals per day—though employers can charge for these meals. Worker interviews highlighted the significant portion of take-home pay (up to \$70) that workers spend on food per week. Even then, the meals were reported to often be insufficient to fuel workers for long, difficult days of work, with one worker describing a recent breakfast of only one egg and some rice. H-2A regulations also require employers to provide housing for workers that meets Department of Labor standards, but our interviews raise doubts about the adequacy of the housing. At one farm, workers are housed in a large, concrete structure with metal grates on the windows and up to 30 workers sleeping in bunk beds in the same large, open room.

Despite the low pay, difficult working conditions, and constant state of fear, workers generally spoke of being proud of the work they did and said they only wanted recognition and respect for their hard labor. When asked what he wanted American supermarket shoppers to know about this job, Pepe simply said, “Understand our work; value and respect us.” Ramon shared, “I think [that] thanks to us [workers], people have food on their tables. ... I would like for our work to be more appreciated and to be paid a little more.”

While not solely responsible for these violations of workers’ rights, Whole Foods does bear a significant responsibility to ensure these sorts of abuses do not continue because of the companies’ sourcing relationship with these North Carolina sweet potato farms. As detailed in Oxfam’s [Ripe for Change](#) report released in 2018, supermarkets exercise huge power in the food industry. As supermarkets grow and exert more and more power over the companies that supply food to them, they demand a bigger slice of the pie, meaning that suppliers at all levels, like these North Carolina farms, come under increasing pressure to cut their costs. That means less and less of the money that grocery store customers pay for their food is actually reaching workers. Suppliers may also cut corners when it comes to properly protecting and supporting their workers.

Falling to the bottom of Oxfam’s scorecard

Oxfam presented Whole Foods with research in 2017 showing that human rights abuses were taking place in the company’s seafood supply chains, but the company refused to act. This new research shows similar human rights abuses in Whole Foods’s supply chains in Brazil and India,

as well as in the United States. Whole Foods needs to take responsibility and demonstrate accountability.

In the last update of Oxfam's Supermarket Scorecard, published prior to Amazon's most recent supplier standards, the supermarket ranked at the bottom. Although Whole Foods received some credit for programs like Whole Trade, which aims to increase value to small-scale farmers, Whole Foods fell short across all scorecard themes. Whole Foods scored zero on the transparency theme because it has no public human rights due diligence policies or practices in place, nor does it disclose any information about its first-tier suppliers—and the company's recent commitments still do not address those important areas.

Oxfam recognizes the company's participation in multi-stakeholder initiatives to address workers' concerns. However, Whole Foods needs to do more to make concrete policy commitments to respect human and workers' rights in its core business practices. The company falls short in promoting workers in its supply chain by failing to support workers' rights to join a union, refusing to conduct and publish human rights impact assessments to eradicate labor abuses in high-risk food supply chains, and failing to take meaningful steps to close the gap between low wages and a living wage.

Finally, another disturbing finding of the scorecard was that women workers and farmers continue to be left behind. Whole Foods is among the US supermarkets that scored a zero under the "Women" theme in Oxfam's scorecard. The company fails to address and report on how its supply chains impact the human rights of women, including their rights as workers. Whole Foods has done little to address the fact that [women farmers and workers face considerable workplace and pay discrimination](#).

Ending human suffering behind its food

Whole Foods must take urgent action to help end the human suffering in its supply chains. Chapter 6 in Oxfam's new paper, *Workers' Rights in Supermarket Supply Chains: New Evidence on the Need for Action*, details a framework for all supermarkets to take action to improve workers' rights, but there are specific areas where Whole Foods needs to focus the most attention, given our recent findings.

First, Whole Foods needs to follow through on its recent commitment made to Oxfam to identify a senior executive by January 2020 who will have operational responsibility for ensuring human rights are respected in the supermarket's supply chains⁶. That person should engage directly with workers and other stakeholders to address the serious human and labor rights abuses that have been found. The supermarket should make this announcement publicly to ensure that other stakeholders, not just Oxfam, are aware of and can monitor that commitment.

Second, Whole Foods needs to demonstrate that it is adopting a human rights due diligence approach and committing to improving its supply chain transparency. This would mean understanding where the most salient human rights risks are within its supply chains, while consulting with important stakeholders, such as nongovernmental organizations (NGOs), trade unions, workers' rights organizations, and women's rights organizations, and committing to a credible, time-bound and transparent action plan. The company's new supplier standards don't go far enough to explicitly embed a human rights due diligence approach. The standards are

said to have “derived” from international human rights laws and principles—but the company should directly commit to respecting human rights, in line with all human rights laws.

Finally, Whole Foods needs to commit to taking action in its own supply chains—starting by publishing a labor and human rights policy that is aligned with international guidance and best practices⁷ on issues such as wages, gender equality, ethical recruitment, freedom of association/collective bargaining, grievance mechanisms, and health and safety. The current supply chain standards do not provide detail about how any of these policies will be enforced or monitored on an ongoing basis. Consequently, Whole Foods should partner with and support its suppliers, especially in high-risk commodities and countries, to improve the overall labor standards in its operations.

In line with this recommendation, Whole Foods should follow Amazon's lead and develop and publish a detailed supplier manual to cover its entire supply chain, especially in areas that protect vulnerable workers. These areas include ensuring workers have access to effective grievance mechanisms; conducting robust human rights due diligence to know and address risks in Whole Foods's supply chains; and working proactively with suppliers to correct problematic working conditions, rather than severing those relationships.

After one year of campaigning by Oxfam, many supermarkets in Germany, the Netherlands, and the UK are making some welcome progress, yet US supermarkets are falling further behind on our Supermarket Scorecard. All US supermarkets urgently need to take important steps proposed in Oxfam's Workers' Rights Recommendations to take human suffering out of their supply chains. Only by taking action can Whole Foods genuinely demonstrate to its customers and stakeholders that its claim to be one of the world's most sustainable grocers is plausible.

For more information about Oxfam's Behind the Barcodes campaign, please visit www.behindthebarcodes.org.

Methodology Note:

In July and August 2019, Oxfam collaborated with the Farm Labor Organizing Committee (FLOC), which conducted interviews with workers about their working conditions on multiple farms in Eastern North Carolina that supply sweet potatoes to Whole Foods: Scott Farms,⁸ Triple J/Hocutt Farms, and three other farms that supply sweet potatoes to Scott or Triple J/Hocutt.

Twenty-three workers were interviewed during this project. Oxfam also interviewed two FLOC staff members who provided additional context and detail about the experiences of farmworkers in the area. The workers interviewed were either employed directly by the farm or were employed by a local labor contractor who contracts them out to farms in the area, including Scott Farms and Triple J/Hocutt Farms. All the workers interviewed either currently worked at one of these farms or had worked at one or both within the past three years. Although these findings apply to two farms, they affirm previous Oxfam research on the experience of immigrant farmworkers in the United States.⁹

Workers were interviewed either individually or in groups. All workers have been granted pseudonyms given their fears of retaliation.

To establish linkages between these farms and US supermarkets, Oxfam utilized a combination of analyses including product-spotting in supermarkets, product information on retailers' or

suppliers' websites, and other desk research. The supermarkets were subsequently asked to confirm that they source from the above suppliers.

Whole Foods confirmed that it sources from Scott Farms directly and that the company indirectly sources products from Triple J Produce/Hocutt Farms via its direct suppliers. Food Lion (a US subsidiary of Ahold Delhaize) did not confirm or deny that it sources from one or more of these farms. Harris Teeter (a subsidiary of Kroger) did not respond to Oxfam's request for comment.

¹ Robin Willoughby and Tim Gore, *Ripe for Change: Ending Human Suffering in Supermarket Supply Chains* (Oxfam, 2018).

² See the Oxfam reports from 2018 at <https://indepth.oxfam.org.uk/behind-the-price/>. See also recent reports on the global seafood industry (Environmental Justice Foundation [EJF], *Blood and Water: Human Rights Abuse in the Global Seafood Industry* [2019]), Ghanaian cocoa and India tea (Genevieve LeBaron, *The Global Business of Forced Labour: Report of Findings* [SPERI and University of Sheffield, 2018]), strawberries from Morocco (Annie Kelly, "[Rape and Abuse: The Price of a Job in Spain's Strawberry Industry?](#)", *The Guardian*, April 14, 2019), Italian tomatoes (Tobias Jones and Ayo, Awokoya, "[Are Your Tinned Tomatoes Picked by Slave Labour?](#)", *The Guardian*, June 20, 2019), and produce from the United States (Ruxandra Guidi, "[Farmworkers Face Illness and Death in the Fields](#)," *High Country News*, August 20, 2018)

³ Kroger and Walmart either confirmed or did not deny that they sourced from one or both of the fruit companies that Oxfam researched in Brazil. Albertsons and Costco denied sourcing from these companies. Whole Foods confirmed that the company indirectly sources from the two companies.

Kroger and Walmart either confirmed or did not deny that they sourced from one or more of the tea companies that Oxfam researched in Assam, India. Albertsons denied sourcing from these tea companies. Costco does not source tea from these tea companies for its private label, but does sell other tea products sourced from these companies. Whole Foods confirmed that it sources tea from Assam.

⁴ See Section 5 of *Workers' Rights in Supermarket Supply Chains: New Evidence on the Need for Action*.

⁵ Some retailers, including those participating in the Consumer Goods Forum, have recently begun to address issues of recruitment fees paid by workers internationally. This includes a recent commitment to the Employer Pays Principles, but there is yet no evidence that companies have implemented this commitment. See "Priority Industry Principles," Consumer Goods Forum (website), <https://www.theconsumergoodsforum.com/initiatives/social-sustainability/key-projects/priority-industry-principles/>.

⁶ Whole Foods provided this statement to Oxfam: "In conjunction with introducing our Supplier Code of Conduct, we will name a senior executive who will have operational responsibility for ensuring human rights and labor standards are upheld in our supply chain. Formalizing a role specifically tasked with oversight in this area illustrates that Whole Foods Market takes human rights and labor issues seriously and plans to enforce its social responsibility commitments. We will formally name and announce this executive on our website in January 2020."

⁷ See the UN Guiding Principles on Business and Human Rights, relevant International Labour Organization (ILO) Conventions, the UN Women's Empowerment Principles, and Organization for Economic Cooperation and Development (OECD) guidance.

⁸ When Oxfam provided Scott Farms an opportunity to comment on these findings, here is what the company replied about its treatment of workers on its farm: "Scott Farms has a long distinguished history for high-level standards of food safety and transparency. We passed the GRASP portion of our previous GlobalGap audit, which is a voluntary risk assessment on social practices on the farm. It specifically addresses aspects of worker's health, safety, and welfare. We have also been recognized for providing outstanding living facilities for guest workers of our farm. Those facilities provided by Scott Farms are inspected and approved each year prior to use. Furthermore, the assertion that 'regulations require any farm that employs both categories of workers must pay all workers the same higher rate' is an over-generalization of H-2A laws. Scott Farms would never knowingly or willingly neglect to pay a worker what is rightfully owed for time worked."

⁹ See, for example, Bruce Goldstein, Barbara Howe, and Irit Tamir, *Weeding Out Abuses: Recommendations for a Law-Abiding Farm Labor System* (Farmworker Justice and Oxfam America, 2010), <https://www.oxfamamerica.org/static/media/files/weeding-out-abuses.pdf>, and *A State of Fear: Human Rights Abuses in North Carolina's Tobacco Industry* (Oxfam America and FLOC, 2011), <https://www.oxfamamerica.org/static/oa3/files/a-state-of-fear.pdf>.