

SWEET FRUIT, BITTER TRUTH

GERMAN SUPERMARKETS' RESPONSIBILITY FOR THE INHUMAN CONDITIONS WHICH PREVAIL IN THE BANANA AND PINEAPPLE INDUSTRIES IN COSTA RICA AND ECUADOR



OXFAM
Deutschland

FOREWORD

Dear reader,

As consumers in Germany, we really are spoiled for choice. Our supermarkets offer us a huge selection of tropical fruits. Fresh pineapples and bananas are standard products available in every supermarket – and at incredibly low prices. We now also have the choice to consume such products consciously and buy fruit labelled as being good for producers' working conditions as well as the environment. Does this mean that we're making headway when it comes to the issue of sustainability? Can we as consumers enjoy tropical fruit carefree while producers and workers in the countries of origin benefit from better production conditions? Do the labels really keep their promises? My research in Costa Rica, the world's largest exporter of pineapples, aimed to answer these questions.

I was really curious to find out more. In 2008, Oxfam revealed the shocking conditions in the pineapple production industry in Costa Rica. Increased rates of cancer and miscarriage amongst workers and inhabitants in and around the pineapple plantations due to the use of highly poisonous pesticides, a disregard for trade union rights, and low wages were the order of the day. I wondered whether things had changed in the meantime? Today, almost all supermarkets and fruit export groups commit to sustainability and social responsibility, and remain in dialogue on the subject with Oxfam and other NGOs; this gave me hope.

The reality was all the more shocking: the conditions on plantations have barely improved over the past eight years. The water tanker is still needed to provide drinking water to the communities whose groundwater has been contaminated in the areas around pineapple plantations. Large companies which boast of their own sustainability dump their waste water right next to drinking water reservoirs, not even making any effort to hide it. Companies which share responsibility for the contamination of ground water do not pay any compensation to those affected, nor do they construct new waterworks. The workers' complaints concerning their wages, working hours or the breaches of their trade union rights also shocked me.

This situation has to change. It's time to put supermarket chains and fruit export groups under pressure to keep their promises of sustainable conditions in their supply chains.

I hope you find this report to be interesting and stimulating reading.

Dr. Franziska Humbert

Advisor for business and human rights at Oxfam Germany

Ole Plogstedt, TV cook and ambassador for the campaign MAKE FRUIT FAIR!

“Supermarkets abuse their market power and squeeze the prices for tropical fruit. In Ecuador I saw for myself what it means for the small-scale farmers and plantation workers at the bottom of the supply chain to have to work for a pittance.

It makes me extremely angry.”

SUMMARY

This investigation shows the dramatic social and ecological cost of tropical fruit farming, based on the examples of the pineapple industry in Costa Rica and the banana industry in Ecuador.

German supermarkets such as Aldi, Lidl, Edeka and Rewe share the blame for the untenable conditions which prevail in the banana and pineapple industries: they abuse their market power in forcing down prices paid to producers and suppliers. For example, the import prices for pineapple decreased by around 45 per cent from 2002 – 2014, despite increasing production costs. This contributes to the intensification of traditional exploitative structures in both countries, to the fact that the plantation workers' wages in Costa Rica and Ecuador are too low to support a family, and to the perpetuation of unstable employment conditions.

While the supermarket chains meticulously check the imported fruits' appearance, refusing to accept entire deliveries due to even the smallest flaw, they take social and ecological criteria much less seriously. This investigation reveals (too) many violations of human and labour rights in the production of bananas and pineapples.

Pesticides cause damage to health

Bananas and pineapples are usually cultivated in pesticide-intensive monocultures. The plantation workers and people living close to the plantations are frequently exposed to the pesticides, some of which are highly poisonous. In Costa Rica, pineapple producers use a large number of poisonous pesticides, for example Oxamyl, which the World Health Organisation considers highly hazardous, or Bromacil, which is not licensed for use in the EU. All this despite the fact that groundwater is consistently contaminated in several cultivation areas, making it necessary to maintain the drinking water supply via water tankers.

The Ecuadorian banana industry uses highly poisonous substances such as Paraquat, which is not licensed for use in the EU, or the cancer-causing products Mancozeb and Glyphosate. Spraying pesticides from airplanes is standard. During a survey on a plantation which supplies Lidl amongst others, 60 per cent of the interviewed workers stated that they work on the plantations during or straight after airplane spraying has taken place – a clear violation of state-recommended re-entry safety periods. In Costa Rica too, workers of producers which supply German supermarkets report that pesticides are sprayed whilst they work on the fields.

Many of the workers surveyed reported a high rate of disabilities, miscarriage and cancer in the areas around plantations. They also reported frequent respiratory disease, nausea, skin allergies and dizziness. These reports correspond with the results of the few scientific studies which have been carried out on the subject. Necessary occupational health and safety measures are missing on many plantations.

Disregard for trade union rights

According to Article 23 of the Universal Declaration of Human Rights, everyone has the right to form and join a trade union. The banana and pineapple industries in Ecuador and Costa Rica systematically violate this human right.

Oxfam investigated 20 businesses in Ecuador; none of them had independent employee representation. Workers reported “black lists” of names of union members, passed around amongst plantation owners. At Lidl supplier Matías, 93 per cent of those surveyed said that they did not want to form a union for fear of repressive measures. In Costa Rica, workers who get involved with unions are regularly made redundant – such as in the case of Agrícola Agromonte, a producer for Aldi, Edeka and Rewe, which made 50 workers belonging to the union UNT redundant in autumn 2015.

Precarious employment conditions

Employment conditions at the pineapple and banana plantations are unstable and unacceptable. Employers deliberately decline to inform their employees about their rights. In Ecuador, many workers do not even receive a copy of their employment contract. Female workers report that they have been made redundant due to pregnancy, leaving them without insurance. In Costa Rica too, survey respondents at Lidl supplier Finca Once and at Aldi, Edeka and Rewe supplier Agrícola Agromonte told us of unstable contractual conditions. The majority of the field workers – mostly migrants from Nicaragua – are employed via middlemen. These generally offer oral contracts only, with a contractual period of just three months and without social security. Some of these workers live in miserable conditions, sharing a 10m² room between four of them.

Greenwashing

German supermarkets have recently begun putting more effort into promoting the sustainability of their products. Fairtrade products indicate a product’s social sustainability, but are underrepresented in the ranges of German supermarket chains. For pineapples and bananas, Aldi, Edeka, Lidl and Rewe rely increasingly on the Rainforest Alliance label. However, our research on-site shows that this does not solve the biggest problems such as pesticide contamination and the violation of employment laws.

Demands

Oxfam demands that German supermarket chains do justice to their ecological and social responsibility. This includes ensuring humane working conditions, sustainable farming methods, and paying fair prices to their suppliers. Politics also shares in this responsibility. The German government must bind companies to respect human and employment laws at their suppliers too and to introduce a set of “due diligence obligations for human rights”. The governments of Costa Rica and Ecuador must rigorously enforce compliance with employment and environmental law in the lucrative export sectors. Consumers should give priority to fairly produced tropical fruits and demand that companies use transparency and compliance with employment laws as the basis for their business.

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METHODOLOGY

For this report, Oxfam conducted interviews with workers and other experts in Costa Rica and Ecuador from January to April 2016. Additional data comes from the study “Pineapple Value Chain from Costa Rica to Germany” by the research organisation BASIC.¹ The information on the four supermarket chains Aldi Nord/ Aldi Süd, Edeka, Lidl and Rewe is based on our own research, the companies’ own data, statements collected during two Q&A sessions, and the comments made concerning research results. Additionally, we conducted interviews with fruit merchants and other experts. Since the supermarkets did not want to disclose details of their supply chains, Oxfam supporters researched the suppliers, producers and exporters using information on packaging and delivery boxes in individual supermarkets. Rewe was the only supermarket chain to name its importers.

COSTA RICA

In Costa Rica, the research team conducted interviews with 42 workers from the pineapple producer Agrícola Agromonte, Dole and Finca Once, all of which supply German supermarket chains. This took place under the guidance of the organisation ARCA (Asociación Regional Centroamerica para el Agua y el Ambiente) and with the help of the trade union UNT (Union Nacional de Trabajadores y Trabajadoras).² The research team and author of this study also spoke to government representatives, members of parliament, environmental activists, inhabitants near the plantations, representatives of the scientific community and of the association of pineapple exporters and producers. Of all the producers we asked to speak to us, only the company Finca Once agreed to do so. We were also able to visit their plantation.

Number of workers interviewed in Costa Rica

Companies	Total
Dole Costa Rica	17
Agrícola Agromonte	20
Finca Once	5
Total	42

ECUADOR

Based on a jointly-produced survey and on behalf of Oxfam, the trade union network ASTAC (Asociación Sindical der Trabajadores Agrícolas Bananeros y Campesinos) determined to what extent relevant employment laws were being adhered to by banana producers. In total, 165 workers were surveyed on a random basis on 20 plantations, which were divided into groups. You can find the names of the plantations in the diagram on p.11. In early 2016, Oxfam employees also conducted discussions with workers, trade unions, cooperatives, producers, scientists and NGOs as well as other relevant parties in Ecuador.

The randomly selected and examined plantations were divided into the following groups:

WWF/EDEKA sample: Plantations certified by the World Wide Fund for Nature (WWF) used for banana production for Edeka by the multinational fruit merchant Dole or its fixed vendors. The plantations are certified by the environmental organisation Rainforest Alliance. As part of a strategic partnership with Edeka which began in 2014, the WWF has developed an additional 120 criteria with a focus on environmental protection and climate change. Adherence to these criteria is to be monitored by auditors.³

PALMAR sample: Palmar, a national company, delivers at least a third of its produce to the Aldi and Rewe supplier Cobana in Hamburg, according to industry experts. The company itself states that its delivery volume to Cobana amounts to 80,000 boxes.

RAINFOREST ALLIANCE sample: Banana plantations certified by the Rainforest Alliance whose supplier connections we were unable to obtain information about. Using the information on packaging and boxes in Lidl supermarkets, we were able to at least ascertain that the producer Matías belongs to this group.

REYBANPAC sample: Reybanpac is one of the largest banana producers and exporters in the country with more than 10,000 workers. It has supplied the German market in the past, though we have no information about its current supply links.

Number of workers surveyed in Ecuador

Sample	Workers
Palmar	30
Rainforest Alliance (Matías plantation: 15)	65
Reybanpac	30
WWF/Edeka	40
Total	165

When questioned on the results of our research, the companies Aldi Nord and Aldi Süd, Edeka, Lidl and Rewe and their suppliers denied many of the allegations made by the workers and experts surveyed.⁴ Some points, such as the use of the pesticide Mancozeb – classified as probable to be carcinogenic – were confirmed by the supermarket chains, but on other topics, they gave evasive replies.

As soon as we receive permission from the supermarket chains we questioned, we will publish their statements along with our assessment of them here: www.oxfam.de/reaktionen-supermaerkte.

The reactions of the Rainforest Alliance and the Sustainable Agriculture Network (SAN) to this report can be found here: www.rainforest-alliance.org/statement/oxfam-germany.

Most of the workers we surveyed have not been named here, because they are afraid of

repressive measures by the producers. Since the industry experts we spoke to also wanted to remain anonymous, we have not provided any of the experts' personal information.

The conversion of USD and Costa Rican Colones to EUR was performed using the exchange rates of 19.05.2016.

INTRODUCTION

Worker at the pineapple producer Finca Once, Lidl supplier

“They spray us with chemicals, but they don’t offer us appropriate medical care when we get ill. They don’t care if workers get poisoned.”

Bright yellow bananas and juicy pineapples are eye catchers in the fruit and vegetable sections of German supermarkets. The Germans love bananas – they are the most commonly bought tropical fruit. Pineapples, rich in vitamin C, are particularly popular with young families who do their weekly shop at discounter supermarkets. It’s no surprise, since Lidl and co. offer pineapples for prices as low as €1.49. It wasn’t always that way: 20 years ago, pineapples were considered exotic and mostly came from Africa. They were expensive enough that not everybody could afford to buy them. Toast Hawaii, popular at the time, was made with pineapple from a can. It was the cultivation of the sweet breed MD2 in Costa Rica (marketed by the American fruit merchant Del Monte as “extra sweet”) which bumped up pineapple consumption in Germany. In particular the discounters Aldi and Lidl which offer pineapples at prices which low-income families can afford too, helped increase demand for fresh pineapple. In recent years, imports of pineapple from Costa Rica to Germany have almost tripled, from around 57,000 tonnes in 2000 to around 168,000 tonnes in 2014.⁵

But the sweet fruits have a bitter aftertaste: while we in Germany are happy about the fruits’ low prices, workers in the pineapple and banana industries have to fight to survive.

Yensy, wife of a worker at the pineapple plantation Finca Once, Lidl supplier

“My husband’s wages are not enough. We cannot afford lots of things, us two and our sons. Just the bare essentials, rice, beans and a chicken. And we have to pay other bills – water, light, electricity, TV. We just don’t have enough.”

Conditions on banana plantations are no better. Despite working overtime, wages are not enough to live on. Reports on pesticide poisoning and the persecution of trade union members are abundant.

At the same time, supermarket chains increasingly claim that their products are sustainable. One example is Lidl which promotes its social sustainability activities with the motto “on the way to tomorrow” (“Auf dem Weg nach Morgen”). In February 2016 the Group launched an aggressive image campaign, portraying itself in advertising and on its website (“Lidl’s worth it”/“Lidl lohnt sich”) as a socially responsible company which stands for fair and sustainable production conditions.⁶ Lidl’s bananas and pineapples mostly carry the Rainforest Alliance’s green frog label which supports environmental protection and good working conditions.

How does it all fit together?

This report reveals the working conditions on pineapple and banana plantations in Costa Rica and Ecuador and the role that German supermarket chains’ market power and sustainability initiatives play. It dovetails into the issues dealt with in previous Oxfam studies⁷ and reviews

whether working conditions have since improved.

Currently, the four largest supermarket chains Aldi Nord and Aldi Süd, the Schwarz Group (Kaufland and Lidl), Edeka (including Netto-Markendiscount) and Rewe (including Penny) make up approx. 85 per cent of the German food retail market. Additionally, Edeka is looking to take over the chain Kaiser's Tengelmann, which would further increase its market power. While fruit merchants such as Dole, Chiquita, Fyffes and Del Monte used to be the ones significantly determining pricing and conditions on fruit plantations, the supermarkets have now taken on this role – above all Aldi when it comes to bananas.⁸ As such, this report addresses the four largest German supermarket chains.

The four large supermarket chains all rely on the Rainforest Alliance certification.

Supply links to specific plantations are rarely verifiable.

The supply chain of tropical fruit usually consists of

Producer -> Exporter -> Importer -> Wholesaler -> Retailer

German supermarket chains buy their tropical fruit from importers or wholesalers and thus rarely have any direct supply relations with producers. However, in recent years there has been a trend towards direct import.

Since supermarket chains and fruit merchants are usually – with rare exceptions – unwilling to disclose their supply relationships and we thus had to rely on our own research, the following tables only show a small sample of the supermarkets' supply chains. Lidl has the names of the exporters and sometimes those of the producers on its packaging or on pineapple or banana boxes in the supermarkets. At Aldi, the producers can be traced in a publicly accessible database using the so-called GLOBALG.A.P. numbers printed on its packaging. Rewe and Edeka's labelling often only gives information about the exporter or importer. We could not find the names of producers on the pineapple and banana boxes at discounters Penny and Netto. Edeka's banana producers, which work with the WWF, could be identified in a database.

Supply links revealed: pineapples imported from Costa Rica to Germany

Producer and exporter	Label	Brand	Importer and service provider	Retail chain
Finca Once and TropicalParadise Fruits Company S.A.(Packhaus)	Rainforest Alliance	Natura Farms	OGL Food Trade Lebensmittelvertrieb	Lidl
Agricola Agromonte	Rainforest Alliance	Dulce Gold	Staay Hispa	Aldi, Rewe, Penny, Edeka, Netto Markendiscout
Dole	Rainforest Alliance	Dole	Edeka-Fruchtkontor (?)	Edeka
Dole	Rainforest Alliance	Dole	Univeg, Cobana/Fruchtring (?)	Rewe

SUPERMARKET CHAINS: MARKET POWER AND THE LABELLING FRENZY

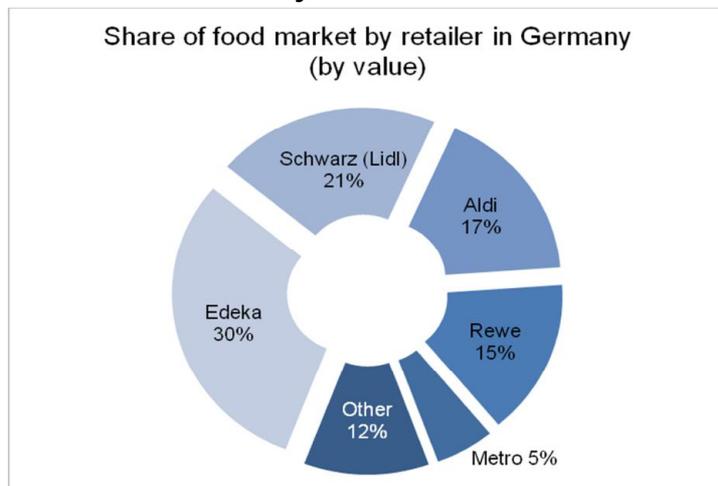
Industry expert, Costa Rica

“The supermarkets determine the price. If the goods don’t look good enough, they force the price down or refuse to accept the them.”

The power held by supermarket chains

The market power held by the large chains is ubiquitous. Aldi, Edeka, the Schwarz Group and Rewe leave next to no room for smaller competitors.

Market shares held by food retailers



Source: Calculations by BASIC, based on data from Euromonitor and Lebensmittelpraxis 2014. These calculations included retailers with a retail space of 300m² or larger.

These supermarket chains are like doormen, who producers – in Germany and abroad – have to pass in order for their goods to reach European customers. Thanks to their market power, these large companies are able to determine pricing and supply conditions, to pass on costs to suppliers and to refuse goods contrary to the agreements they have previously made. Under such pricing and cost pressure, the producers often only see one way out: producing their goods as cheaply as possible, and taking cost-saving measures – primarily when it comes to wages. Both measures are at the expense of workers and the environment.

Every second fruit is bought at a discounter supermarket. The principle of combining simple shop fittings with cheap prices and a limited selection of brand-name products has taken hold in the German retail sector in particular. The discounters’ market share in Germany amounts to over 40 per cent⁹, the average in other EU countries is just 17 per cent.¹⁰ However, the tide is turning, and Aldi and Lidl are currently taking over the European market too. The Schwarz Group, Lidl’s parent company, has taken over from the English supermarket chain Tesco as the largest European retailer and is now represented in 26 European countries.¹¹ Aldi is also catching up and takes fourth place in the rankings of the largest European retail companies.¹²

Pricing pressure on suppliers

The powerful discounter and supermarket chains put immense price and cost pressure on their suppliers. From 2002 to 2014, the import price for pineapple to Germany has fallen by approx. 45 per cent (adjusted for inflation), from €1.34 to €0.71 per kilo¹³ – despite increasing production costs in the countries of origin. For example from 2001 to 2015, fertilisers and pesticides went up in price by almost 200 per cent, packaging materials by 150 per cent.¹⁴ It is thus hardly surprising that producers penny pinch when it comes to wages and the cost of ecological and more sustainable farming methods.

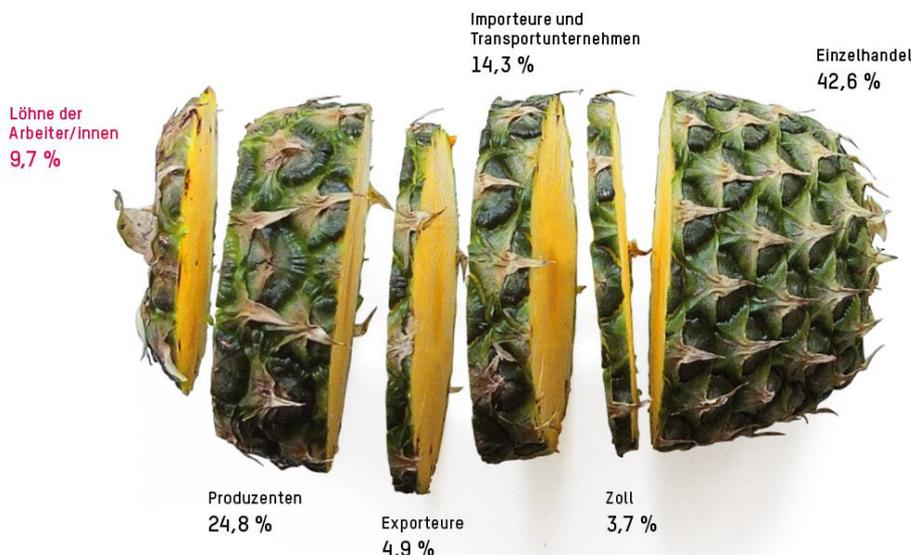
On the other hand, the margin earned by retailers has fallen only slightly in the last ten years.¹⁵

The price and cost pressure exerted by supermarket chains is one of the reasons why the price paid for a box of Ecuadorian bananas falls vastly short of the legal minimum price of \$6.16 (€5.50).¹⁶

Banana producer from Ecuador:

“Currently, the exporter pays us \$5.50 per box even though the government minimum price is \$6.16. The exporter, which delivers to Germany, only accepts 70 per cent of our harvest, so we have to sell the rest on the spot market, where the prices vary hugely. We often have to sell under production costs, even though it’s illegal. We never get contracts for 100 per cent of the production volume. The producers always draw the short straw. Over the past year, it’s been even worse than usual: the exporter did not comply with the contract, reducing the price paid to \$5. Before Christmas, we were in big trouble and didn’t see how we could go on.”

Who earns money from pineapples?

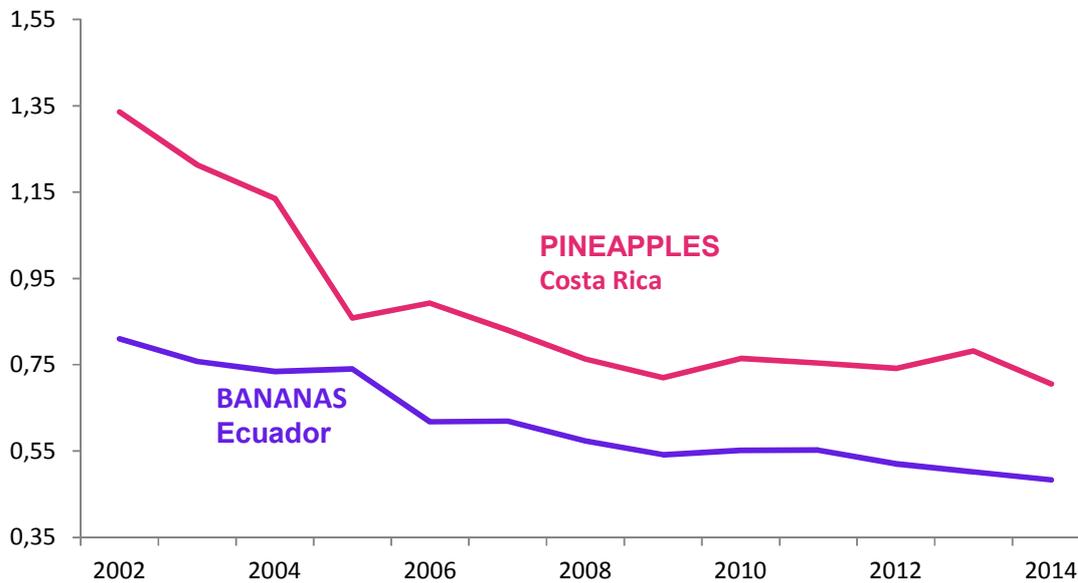


Shares in the sales price of Costa Rican pineapples in German supermarkets

(Workers' wages 9.7 per cent, Producers 24.8 per cent, Exporters 4.9 per cent, Importers and transport companies 14.3 per cent, Customs 3.7 per cent, Retailers 42.6 per cent)

Source: Calculations by BASIC using data from Eurostat, CIRAD, Comtrade, Sopisco

German import prices for pineapples and bananas (in €/kg)



Source: Calculations by BASIC using data from Comtrade (CIF prices, inflation adjusted)

It is not just foreign producers who complain about the supermarkets chains' market power. German wholesalers also report that the pineapple business is a highly competitive market. Many wholesalers have given up; when it comes to the discounters in particular, almost everything revolves around the price. One industry expert even spoke about the "extinction of the industry", and that the supermarket chains' increasing tendency towards purchasing directly from importers and producers means that the fruit merchants are losing their livelihood. Others spoke of unfair competition; for example, that it is common to make complaints about goods even if they are not damaged. They also mentioned that asking for discounts retrospectively and making changes to the purchase volume is commonplace. One industry expert said, "it is not unusual to be left sitting on the goods".

On the other hand, the supermarket chains we asked claimed to believe that they deal fairly with their suppliers. All four are registered with the Supply Chain Initiative.²⁰ This aims to ensure fair competition and terms of trade in the food retail supply chain; supermarkets oblige themselves to comply with fair trading practices and are required to establish a dispute settlement body within their own companies. However, a survey by the EU Commission has shown that little has changed since the Initiative was introduced in 2013.²¹ This is not surprising, since suppliers are hardly likely to complain to their customers of un Fairtrade practices for fear of reprisals.

The labelling frenzy

While supermarket chains squeeze suppliers' prices and reduce their costs, they boast of their sustainable methods with an increasing array of sustainability labels. In recent years this has usually been the Rainforest Alliance's green frog. All Lidl's pineapples and 92 per cent of their bananas carry this label¹⁹; at Edeka it can be found on 90 per cent of their own-brand pineapples and 85 per cent of their own-brand bananas.²⁰ Furthermore, all Edeka's own-brand bananas come from the WWF's model project (see above), which is based on the Rainforest Alliance certification and other criteria with a focus on the environment and climate change. At Rewe, almost 100 per cent of pineapples and 75 per cent of bananas carry the label; by the end of 2016, they intend to ensure that all bananas are certified.²¹ Rewe's own brand "Rewe Beste Wahl" ("Rewe Best Choice"), as well as Chiquita bananas have the Pro Planet label, which is based on the Rainforest Alliance label and includes extra criteria. Aldi Nord and Aldi Süd are both looking to achieve Rainforest Alliance certification of all their pineapples and bananas produced using conventional farming methods.²²

Ramón Barrantes, Trade union SINTRAPEM

"Costa Rica is a testing lab for the development of labels. They are an excellent marketing tool for companies."

What does the green frog really mean?

The environmental organisation *Rainforest Alliance* was established as early as 1995 as an Eco-OK programme with the monitoring of banana plantations. It focuses on the implementation of more efficient, environmentally friendly farming practices intended to help generate higher profits.

Farms and plantations which receive the Rainforest Alliance certification have to comply with the standards required by the Sustainable Agriculture Network (SAN). These include a detailed selection of *social and environmental protection criteria*. There are ten main principles and over 100 criteria, of which 16 are obligatory and must be met in order to receive the Rainforest Alliance certification label. At least half of the criteria belonging to every main principle must also be fulfilled; in total at least 80 per cent of all criteria must be met. Just three of the ten main principles contain social standards.

The social standards comprise the *core labour standards of the International Labor Organisation (ILO)* including freedom of association and the right to collective bargaining, as well as the prohibition of discrimination, forced labour and child labour. Further standards include requirements concerning the *adherence to the legal minimum wage, and on working hours, occupational safety, workers' accommodation etc.*

The SAN standards do not require the payment of living wages. They also do not include provisions on cost-covering prices or on the obligation to carry out a human rights risk assessment according to the UN guiding principles for business and human rights.

The Rainforest Alliance label is not an organic label. The current standard²⁵ includes a short list of banned pesticides, but they are mostly pesticides which are banned in the USA or EU. Exceptions to the ban are common. The SAN list does not ban the use of pesticides per se which are considered probable to cause cancer, have a mutagenic effect or which may be harmful to human reproduction. Pesticides which are not licensed for use in the EU are, in theory, permitted by SAN. Additionally, not all pesticides which are considered highly hazardous by the international organisation PAN (Pesticide Action Network)²⁶ are banned from use. Highly hazardous pesticides such as Chlorothalonil, Mancozeb, Glyphosate and Oxamyl are permitted for use, for example. Oxamyl and Chlorothalonil are highly toxic; Oxamyl can be found in the WHO hazard class 1b, considered “highly hazardous”. Chlorothalonil, Mancozeb und Glyphosate are considered probably carcinogenic by the US environmental authority EPA or the international cancer research agency IARC.

Other private standards

The green frog is not the only label to find strong representation on supermarket bananas and pineapples. All banana and pineapple producers have long been certified by the standards initiative GLOBALG.A.P. The focus here is on quality assurance. Just one of the optional extra components (the GRASP module) provides for compliance with social standards, such as the existence of employee representation or suitable complaints procedures, employment contracts, wages and working hours.²³

All four supermarkets are also members of the *Business Social Compliance Initiative*,²⁴ an alliance of European trading companies and brands which aims to achieve good working conditions along the supply chain.

All these initiatives rely on the suppliers' company audits; so-called social audits which monitor compliance with the various social and ecological standards. *What are all these initiatives really about? Do they really bring about improvements in working conditions on the pineapple and banana plantations?*

Fairtrade

Fairtrade is an alternative to the conventional market and is characterised by the fact that alongside social and environmental standards, it also requires that minimum prices are paid to producers. Products with a Fairtrade label originate from long-term, transparent trade relationships; originally only with smallholder farming cooperatives, these days also with plantations which comply with social and environmental standards. Farmers and workers on plantations receive an additional premium for communal projects.²⁷ The plantations we investigated for this study are not Fairtrade certified.

It is certainly to be welcomed that the proportion of Fairtrade bananas has risen in supermarkets in recent years. In total, they make up a market share of 10 per cent.²⁸ Aldi Süd reports that

organic Fairtrade bananas make up over a third of its banana sales²⁹, at Aldi Nord reports they constitute around a fifth of its banana sales.³⁰ Edeka says that around 4 per cent of its own-brand bananas are organic Fairtrade bananas.³¹ Lidl's banana sales are 8 per cent organic Fairtrade³², and Rewe states that they do not sell any Fairtrade bananas.³³

WORKING CONDITIONS IN THE BANANA AND PINEAPPLE PRODUCTION SECTOR

Case Study: Pineapples Costa Rica

Costa Rica is the global market leader in international pineapple trade, covering 66 per cent of the demand.³⁴ In 2014, the EU and the US accounted for 46 per cent and 53 per cent, respectively, of the total turnover of \$865 million.³⁵ Germany is the largest buyer among the EU countries.

Following bananas, pineapples are the second most important agricultural export. The international fruit groups Dole, Del Monte, Chiquita, and Fyffes form part of the 550 producers. There are hardly any small producers left. They simply cannot compete with the price and quality requirements prevalent on the international market. In Costa Rica, pineapple farming takes up an area of 38,000 hectares. Traditionally, the fruits were cultivated on the Caribbean side, i.e. in the East and South of Costa Rica; now, however, they are cultivated increasingly in the North. The examined producers *Agrícola Agromonte*, with 2,412 hectares, and *Finca Once*, with a total of 1,064 hectares, are located there. The cultivation area of the largest fruit group worldwide, *Dole*, in Costa Rica amounts to 4,000 hectares in total, which is divided up into four plantations. All the producers examined deliver their goods to German supermarket chains.

Pineapple farming in Costa Rica



Source: BASIC according to data provided by Canapep, the Costa Rican association of pineapple producers and exporters, 2015

Often, new pineapple fields emerge overnight on freshly cleared land without authorities intervening properly. The plantations are advancing into protected wetlands – with disastrous repercussions for the environment, as can be seen in the case of *Refugio de Vida Silvestre de Caño Negro*, one of the most important nature conservation areas in Central America.³⁶ Moreover, pineapple producers are exempt from taxation. Despite this, the government's guiding motto is sustainable development. There is comprehensive legislation governing environmental protection, nature conservation and biodiversity. 30 per cent of the national territory is under some form of nature protection. Currently, negotiations on a law to protect water resources are underway. But how can the expansion of pineapple fields and the pineapple industry's behaviour fit with that?

Precarious Working Conditions

Worker at Finca Once, producer for LIDL

"We are the slaves of the pineapple industry. They do whatever they want with us. They fire us just to hire us again under much worse conditions."



© A. Weltz-Rombach/Oxfam

Plantation workers waiting for the bus in front of Agricola Agromonte, producer for Aldi, Edeka and Rewe and others

A large share of the workers working on the examined plantations in the North of Costa Rica is from Nicaragua; some of them do not have a residence permit. While many have settled in Costa Rica, others cross the border every day. According to the respondents, more than 90 per cent of Finca Once's field workers working in the lowest positions are from Nicaragua and do not have a residence permit. They are not hired directly by the company; instead they are hired via a middleman. According to the statements of the respondents at Agrícola Agromonte, 60 per cent of the field workers are from Nicaragua and do not have a residence permit. They also work for a middleman. According to the workers interviewed, those working for a middleman work under particularly dreadful conditions. Most of the time, their contracts, which are mostly concluded orally, last for less than just three months so that employment is not stable and holidays cannot be taken. Furthermore, middlemen often avoid making payments into social security funds; instead they simply keep the money. A middleman who contracts workers – mostly men – for Finca Once does provide housing for some of the workers. Four men, respectively, share ten square metres and thus live in miserable conditions.

Wages, Working Time and Social Security

Yensy, wife of a worker at Finca Once, producer for Lidl

“Money is extremely tight. We must cut down on food to be able to pay our children’s school fees.”

While the workers interviewed at Finca Once and Agrícola Agromonte normally do receive the statutory gross minimum wage of Colones 9,509 (approximately €16) per day³⁷, this minimum wage refers to a working time of eight hours per day. Many of the respondents, however, are paid according to their performance and thus work up to twelve hours in order to receive the minimum wage. Although piece work is legal, it must not undermine the payment of the statutory minimum wage. Those working for a middleman without documentation do not receive the minimum wage even after ten hours; they earn between approximately Colones 3,500 and 5,000 (about €5.50 - €8) per day. This wage does not suffice to support a family. Many have to borrow money additionally. Living costs are very high in Costa Rica; consumer prices have risen by 218 per cent since 2001.³⁸ Since men are typically the sole breadwinners, their wage must be sufficient for the whole family. According to calculations made by the trade union UNT (Union Nacional de Trabajadoras y Trabajadores), a living wage would have to be 20 per cent above the statutory minimum wage, i.e. at least almost €20 per day.

Many pineapple producers do not pay social security contributions for their workers. The national press reported in February 2015 that Agrícola Agromonte owes the social insurance agency more than Colones 929 million (approximately €1.5 million).³⁹

The concept of a living wage is based on the ILO conventions 26 and 131. It stipulates that the wages paid for a regular working week need to be sufficient to cover the basic needs of workers and their families, including a certain amount of money for their free disposal.⁴⁰

According to the workers interviewed at Dole, the company pays the statutory minimum wage, compensates overtime and pays into the social security fund.

Trade Unions

Edgar Morales, Member of the Union Nacional de los Trabajadores y Trabajadoras (UNT)
“Unfortunately, and this is a shame for Costa Rica, the rights of workers are not respected in the pineapple sector. The worst part is that the right to organisation is not respected – the right of workers to organise themselves in order to defend their rights. The management does not allow us to go on plantations, and if we wait outside to talk to the workers, they call the police or make the workers take a different exit.”

According to the statements made by the workers at Finca Once and Agrícola Agromonte, trade union rights are disregarded at both companies: workers wanting to organise themselves are fired. Only a few belong to a trade union. Trade unions hardly have access to the plantations. In autumn 2015, 50 out of 100 members of the union UNT at Agrícola Agromonte were dismissed because they had protested against wage reductions and the hiring via middlemen and had been on strike for two days. All in all, 70 people were made redundant.⁴¹ At Finca Once only four employees are members of a trade union.

Finca Once and Agrícola Agromonte support the “Solidarismo” movement. What makes it problematic is that at least Finca Once considers this as respecting trade union rights. The “Solidarismo” movement was created to secure workers in Costa Rica both in social and financial terms. With the support of their company, they can invest part of their wage as a form of a company pension scheme. This model is not to be confused with the right to organisation and to conduct collective negotiations. According to its management, 99 per cent of the workers at Finca Once are members of the Solidarismo movement.

Dismissal of Trade Union Leaders at Anexco / Fyffes, ALDI supplier

In 2015, three trade union leaders were dismissed at Anexco, which belongs to the fruit group Fyffes, on the basis of their trade union activities. Despite an intervention by the Costa Rican ministry of labour, which has been facilitating discussions between the company’s management and trade unions since autumn 2015, an agreement has not yet been reached. 23,000 emails sent to the manager, collected by Oxfam, Banafair and other organisations in an urgent action⁴², did not help to resolve this conflict. The company only offered to relocate the people concerned to Panama.

According to the respondents, there is a trade union at Dole, but this union is controlled by the company (“sindicato blanco”).

Pesticides and Health

Former worker at Agrícola Agromonte, producer for Aldi, Edeka and Rewe

“I spent one month at a hospital due to poisoning. When I returned back to work, I had to work again with pesticides and without protective clothing.”

The pineapple monocultures planted in Costa Rica on huge areas, and with two harvests per year, require the use of numerous pesticides and fertilisers. More than 50 different chemical substances are used separately or in combination. Each year, between 30 and 38 kg of chemicals are applied on one hectare under cultivation. Costa Rica is the country with the longest list of permitted agrochemicals, among others those with the substances Bromacil and Paraquat which are not licensed for use in the EU. The latter is classified in the US as “probably carcinogenic”. Glyphosate, which is currently under debate for reapproval in the EU, is still being used.⁴³

According to Finca Once itself, it uses the chemicals Diuron, Mancozeb and Oxyfluorfen, which are classified by the US Environmental Protection Agency (EPA) as “probably carcinogenic”, as well as Oxamyl, classified by the WHO as acutely toxic and which is lethal if inhaled.

Chlorpyrifos, which is about to be prohibited in the US, continues to be used. At the same time the company also uses many pesticides with a lower health risk.

The workers interviewed at Finca Once and Agrícola Agromonte report that pesticides are frequently sprayed when they are on the field. The workers at Finca Once are allowed leave the field briefly but they must come back again quickly. According to them, they receive protective clothing upon hiring; however, it is ruined quickly and the costs for new clothing are deducted from their wages. The workers mostly complain about dizziness and fainting spells, vomiting and allergic skin reactions. Respondents at Agrícola Agromonte report that they are not always sent to hospital. In some cases, they simply receive a few days holiday.

According to the law, those working with pesticides are only allowed to work for six hours. The respondents, however, stated that they often work longer.

Often the workers do not know which pesticide and chemicals they use since they are sometimes only given the flasks without labels. The respondents also reported that they are to hide chemicals with red labels from auditors prior to audits.

Worker at Finca Once, producer for Lidl

“When the people from San Jose come, they hide the chemicals with the red labels, bringing them to other plantations.”



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The Effects of Pineapple Farming on the Environment and the Residents

Xinia Briceño, Resident near a Del Monte plantation and in charge of the local water cooperative, Milano

“We cannot scientifically prove that the problems are caused by agrochemicals. We do know, however, that people have been diagnosed with cancer, that they have skin problems, that children have impaired eyesight, that children under ten have stomach problems.”

Mario Mirando Jimenes, Resident near a Del Monte plantation

“I have a brother who died of stomach cancer two years ago. I cannot prove that it was due to contaminated groundwater, but many people have suffered from stomach cancer and many have died of it. But it’s not only people that suffer from the use of pesticides; animals, too, die or retreat into a different region. There are no crabs left in the rivers.”

Cultivation area near the Caribbean coast

In the cultivation area on the Caribbean side of Costa Rica, the heavy use of pesticides, especially Bromacil, had caused groundwater contamination already in 2007. Since then the towns El Cairo, Milano and Francia are supplied with drinking water via a water tanker which comes every other day. The water is limited: 12,000 litres every other day for approximately 1,000 families. This is not sufficient for bathing or washing.⁴⁴

Although producers like Del Monte state that they have not used Bromacil since 2008, residues of the pesticide are still found in groundwater. In April 2015, an analysis conducted by the

University of Costa Rica yielded 2.19 micrograms per litre. Another analysis commissioned by the ministry of labour and conducted by the private company Chemlabs mysteriously yielded only 0.001 micrograms per litre. The water tanker still comes.

So far, the pineapple industry has not had to pay damages for the harmful effects of pesticides nor pay for the provision of drinking water via water tanker. The new regional waterworks is also funded by the government. 44 lawsuits are currently pending before the environmental administrative court; the oldest one stems from 2001.⁴⁵

Since March 2015, the case of the victims of contaminated water is being dealt with before the Inter-American Commission on Human Rights.⁴⁶

Cultivation area in the North

In April 2016, residues of Bromacil were also found in the groundwater of the cultivation areas situated in the North.⁴⁷ The residents of Veracruz, La Trinidad, Quebrada Grande, San Marcos and San Luis de Veracruz are affected by this. The waterworks of Veracruz, whose source is surrounded by pineapple plantations and which is located in close proximity to the nature conservation area Refugio de Vida Silvestre de Caño Negro, has been closed. The waterworks of Pital now supplies the residents with water.

The smallholders in the growing regions also suffer as a result of the pineapple plantations: The plantations contribute to the spread of the biting housefly, which in turn bothers cows and goats. As a consequence, they produce less milk and meat so that people are forced to sell their emaciated animals.

A former worker at Agrícola Agromonte, supplier to Aldi, Edeka, Rewe and others

“The companies are responsible for the contamination of the groundwater. They spray pesticides near homes and schools. They have no control over the waste they produce.”

Case Study: Bananas Ecuador

As the largest banana exporter worldwide, Ecuador is the most important supplier to the German market. With annual export revenues amounting to approximately \$2 billion (€1,77 billion), bananas are Ecuador's second most important export product, following crude oil. The banana sector creates roughly 200,000 direct jobs, which is more than any other sector of the economy. Apart from medium-sized and large plantations there are also many family-run businesses; some of them have formed cooperatives in order to stand their ground in the face of competition from large-scale producers and exporters.

Wages, Working Time and Social Security

An important achievement of the current Ecuadorian government is the integration of permanent workers into the social security scheme IESS. Between 95 per cent of the respondents on the plantations certified by WWF/Edeka and 65 per cent of the respondents that were randomly interviewed on plantations certified by Rainforest Alliance are covered by the social security scheme and directly hired by the respective company – an exception only a few years ago. However, our interviews showed that many workers only enjoy 50 per cent insurance coverage.

Worker at Palmar, supplier to Aldi and Rewe and others

"I have been working on one of Palmar's plantations for seven years, and five years ago I was included in the social security scheme, but I only receive 50 per cent coverage since I only work four days a week. A normal working day is from 7 a.m. to 7 p.m. and often longer during high season."

Although this man regularly works more than 40 hours per week, he will not be entitled to a pension. With a four-day work contract, he would have to pay into the pension fund for 60 years in order to be eligible for payments.

Over the past ten years the statutory minimum wage has risen continuously. At present it is at \$366 (€324) per month or \$427 (€379) if the statutory 13th and 14th months' salary is factored in. Despite this, the income is not sufficient for a large majority of the banana workers interviewed: In January 2016, the costs of a family shopping basket (Canasta Familiar Básica) defined as the poverty threshold amounted to \$675 (€598) per month. Most of the workers live a hand-to-mouth existence. People cannot resort to savings in the event of illness or a natural disaster such as the recent earthquake. Additionally, the method of remuneration is non-transparent to many workers.

Worker on a Palmar plantation

"I work in the packaging hall. We put Palmar and Cobana labels on the bananas. I do not get a payslip. There is no such thing as paid vacation either. When we are sick, we do not get paid, even if we bring a doctor's note."

Most of the workers receive a performance-related wage (based on the number of banana boxes packed, area of the cultivated banana fields etc.) but they do not receive a detailed payslip. Thus, they cannot tell whether overtime, bonuses or the 13th and 14th months' salary have been paid properly or which deductions were made from their salary. The majority of the respondents do not even possess a copy of their work contract. During the random inspections on Reybanpac and Palmar plantations this applies to all of the workers; during the random inspection on the WWF/Edeka certified plantations, the number is 47 per cent, and during the inspection on the plantations certified by Rainforest Alliance, this figure is 63 per cent. 27 per cent of the respondents at Matías, a Lidl supplier, do not have a copy.

Paula Quinto, Former worker at the producer Reybanpac

FIRED BECAUSE OF PREGNANCY



"I worked in a packing station on one of Reybanpac's plantations when I became pregnant. Soon the banana boxes became too heavy, I had bleedings", Paula Quinto (35) reports. "Contractions started at the health centre, that is why I was issued a sick note for three days. The doctor told me to do a different job. The plantation manager told me, 'Either you continue do to the same job or you can go'. This happened despite the doctor's certificate. That's when I left. The worst part was that they had terminated my insurance cover. I had to deliver the baby two weeks

before the due date, by C-section – my baby had a heart defect. I had to stay in hospital at Guayaquil with the baby for two months. An airplane always sprayed pesticides on the plantation during the day, also during mealtimes."

Discrimination Against Women

Women only work in the packing department – there they constitute a majority. According to the respondents, they receive lower wages than the field workers. The producer Matías reduced the wage of all female workers to \$13.50 (€12) per day. Men make about one-third more.

On all the plantations examined, individual female workers stated that they had to take a pregnancy test prior to being hired. During the random test on the plantations certified by WWF/Edeka, 41 per cent of the respondents stated that they had had to take a test.

Trade Unions

When talking to the workers on Ecuadorian banana plantations, one encounters an atmosphere of fear. This is not without reason: open criticism, internal complaints and in particular the establishment of a trade union often lead to dismissals. "Black lists" of names of union members and other "insubordinate" people are supposed to circulate amongst plantation owners.

Isidrio Ochoa, Plantation worker in the banana sector

FROM CHILD WORKER TO UNION MEMBER



“When I was five years old, I started working in Alvaro Noboa’s packing station on La Clementina, spraying the bananas prior to packaging them. Aged seven, I packed the boxes and at the age of 10, I pulled the banana trees across the plantation; I did this until I was 30”, Isidrio Ochoa (50) recalls. “Then I looked for work on other plantations, but work was equally bad everywhere. Starting in 2013, I was on Tito Gentillini’s farm La Luz. We put labels with GLOBA, Chiquita, Dole, Bogaboga and Mama Negra on the bananas. In the summer of 2014, we founded a trade union since the working conditions were very bad. In October all of us were fired. Legal tricks were used to undermine the trade union. I talked about our experience at a conference in Peru. When I returned home, I received massive threats directly coming from my former boss’ mobile phone. ‘I will get you...’, he wrote. I went into hiding for a long time, and in March 2015, I submitted a complaint to the public prosecutor’s office. No one has reacted to my complaint yet.”

All the respondents interviewed randomly on the plantations certified by Rainforest Alliance negated the question whether the company they worked for – Lidl supplier Matías is one of them – would allow the establishment of a trade union. During the random sample conducted on the Reybanpac plantations, 97 per cent said no; this figure was 89 per cent on Palmar plantations and 65 per cent on the plantations certified by WWF/Edeka.

It comes as no surprise that there is not a single independent worker representation in any of the 20 companies examined. Many respondents report dismissals due to union affiliation: during the spot check on the plantations certified by WWF/Edeka, 35 per cent reported this; on the plantations certified by Rainforest Alliance, this figure was 90 per cent and at Matías, it was 58 per cent.

Independent unions are an important tool to implement workers’ rights – all the more if state bodies contribute little to upholding them. Our examination also illustrates the low level of trust in public supervisory bodies: Less than half of the workers interviewed feel protected by authorities or the ministry of labour; the spot check on plantations certified by Rainforest Alliance even yields a value below 10 per cent.

Pesticides and Health

Worker at Matías, supplier to Lidl and others

“We are very worried because we have to work in a rain of pesticides. We have skin rashes. But if you complain you risk being fired.”

Most of the time airplanes are used to spray the huge cultivation areas with pesticides. This poses a great threat to the health of the employees.

65 per cent of the respondents of the spot check conducted on the plantations certified by Rainforest Alliance said that airplanes spray pesticides while they are on the farm or that they need to return to work within an hour after the spraying process. Only during the spot check conducted on plantations certified by WWF/Edeka and Palmar did individual workers recall re-entry safety periods of eight hours or more.

HOW LONG AFTER PESTICIDES HAVE BEEN SPRAYED BY AIRPLANES DO YOU RETURN TO THE PLANTATION? (Number of workers interviewed (in per cent))
Recommended re-entry waiting period: 24-48 h

	Rainforest Alliance		Reybanpac	WWF/Edeka	Palmar
	Matias	Others			
Immediately/ during work	27	53	33	12	83
< 1 h	33	12	13	6	0
1 - 2 h	40	35	37	41	0
2 - 4 h	0	0	17	20	0
4 - 6 h	0	0	0	0	0
6 - 8 h	0	0	0	0	0
> 8 h	0	0	0	21	17

This fact is all the more worrisome as the majority of the pesticides recommended for the Ecuadorian banana industry require re-entry waiting periods of 24 hours, or even 48 hours in the case of eight particularly toxic products. The insecticide named above, Oxamyl, belongs to this group. According to the WHO it is highly toxic and can be absorbed via the respiratory tract or one's skin. It is also toxic to bees and fish. Paraquat, highly toxic and not licensed for use in the EU, and Mancozeb and Glyphosate, suspected to cause cancer, are also used.



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In late 2015, Austrian occupational physicians examined the health risk of banana workers in Ecuador.⁴⁸ Their findings are alarming: Workers in the conventional banana farming sector suffer from gastrointestinal illnesses six to eight times more often than those working in the ecological farming sector. Other symptoms, such as dizziness, vomiting and diarrhoea, stinging eyes and skin irritations, fatigue, insomnia and irregular heartbeats also occur much more frequently.

As far as the respondents at Matías know, there is neither a statutory occupational safety committee nor a statutory medical service available. Workers report that blood tests were done due to the health risks caused by pesticides but they were never informed about the results. The costs for the blood test were deducted from their wages.

The Ecuadorian exporter TropicalFruit Export, which supplies Matías' bananas to Lidl, denies this and, when confronted with criticism regarding the use of pesticides during work hours, refers to the size of the plantation which they claim allows the spraying of a part of the plantation by airplanes during work hours.⁴⁹ They also stated that a safety committee was in place.

Beatriz Garcia Pluas, Director of the school Nuestra Señora del Carmen, a church institution for children with disabilities in Rícaurte

THE USE OF PESTICIDES AND ADVERSE CONSEQUENCES ON HEALTH



“We do not have scientific evidence for the lethal effect of pesticides as those affected do not have the money to conduct tests and the government rather focuses on the ‘health of the living’ instead of having autopsies conducted. There are many cases where the cause of death is stated to be ‘unknown’ but where it would make sense to examine whether the use of pesticides caused the death. Given the particularly high disability rates of children in banana provinces, a connection is highly likely. Almost all the parents of the children with disabilities at our school work on plantations or live nearby. Most of these parents are young, and apart from the pesticides there is no reason why their children should be born with a disability. Due to the wind, you are not protected anywhere against the poison when the planes distribute pesticides. It is carried into the villages that are next to the plantations.”

Workers' Participation During Audits

The majority of the respondents did not even know the names of larger certification programmes, such as GLOBALG.A.P. or Rainforest Alliance. Even more important is the low participation rate of the workers in the audits of the respective programmes, known as social audits.

ARE THE WORKERS INCLUDED IN AUDITS?

Number of respondents (in per cent)

	Rainforest Alliance		Reybanpac	WWF/EDEKA	Palmar
	Matías	Otros			
Yes	27	7	6	17	56
No	73	33	55	12	37
Don't know	0	60	39	71	7

CONCLUSIONS AND DEMANDS

The conditions on the plantations in Costa Rica and Ecuador have hardly improved since 2008 or 2011, when the last two Oxfam studies on pineapples and bananas were published. However, more and more plantations are certified, notably with Rainforest Alliance's green frog label.

The workers on the plantations report severe legal infringements and problems: Large quantities of particularly dangerous pesticides continue to be used without sufficient protective measures; union rights are neglected; wages do not suffice to make ends meet and are sometimes below the statutory minimum wage; the working time is up to twelve hours; payments into the social security scheme are avoided, work is unstable.

While many people in Germany have a clean conscience about buying pineapples and bananas which are supposed to stem from sustainable production as per their certification, those working on the plantations risk their own health and that of their families. With the increase in the market power and profits of supermarket chains, the price pressure exerted on pineapple and banana producers also increases and workers work for a poverty wage. In order to put an end to this untenable situation, all parties involved need to take decisive steps to improve the working and living situation of the people providing us with tropical fruits.

What is to be done?

All actors concerned need to act: producers and exporters in Costa Rica and Ecuador, importers and supermarket chains in Germany, but also the governments and parliaments as well as consumers and citizens both in Germany and in the growing countries.

SUPERMARKET CHAINS need to guarantee decent working conditions and ecological farming methods throughout their whole product range.

The companies need to make sure that the goods they offer are produced without legal infringements, exploitation and environmental damage. Therefore, they must ensure decent working conditions at their producers.

This includes

- adhering to the ILO core labour standards, such as the freedom of association and the right to collective bargaining as well as the prohibition of discrimination, forced labour and child labour;
- paying a living wage, ensuring adequate working hours according to the rules set forth by the ILO, regular employment;
- protecting the health and safety of the employees, i.e. no use of highly hazardous dangerous pesticides according to the international Pesticide Action Network (PAN);
- using sustainable growing methods which protect the environment and biodiversity.

SUPERMARKET CHAINS need to pay fair prices that correspond at least to Fairtrade prices and that cover the costs of sustainable production. They must treat suppliers fairly.

For producers to be able to implement decent working conditions on plantations and smallholders to be able to earn a decent income, supermarket chains need to pay suppliers prices which at least cover the costs of sustainable production, including a living wage. Furthermore, they must eliminate unfair purchasing practices, such as rejecting ordered goods for no reason.

As long as an internationally valid calculation method of such a fair price does not exist, all supermarket chains should at least pay the minimum price of Fairtrade.

It would be ground-breaking if a supermarket chain only offered Fairtrade goods, e.g. bananas. Preference should be given to the products of smallholders.

SUPERMARKET CHAINS have to introduce effective and transparent systems with which fair and sustainable conditions are implemented and verified at their suppliers.

They should commit themselves to appropriately involving workers, trade unions and NGOs in their initiatives. The plantations involved must be known and there must be an independent complaints body at local level and within an international framework.

Supermarket chains should participate in initiatives aimed at respecting decent working conditions, and they should involve trade unions and NGOs in decision-making processes as well as during the planning stage and the execution of initiatives. A focus of such initiatives must be on the training of the suppliers' workers and managers. These initiatives must not be limited to audits at supplier companies. Audits have to take place unannounced. Workers should be involved in controls and in the planning and implementation stages of improvement measures.

Supermarket chains should join the FAO World Banana Forum and advocate sustainable banana farming and trade. The aim of the World Banana Forum is to improve the social and environmental conditions in the banana industry. It is a platform which brings together all actors, including fruit companies, supermarket chains, trade unions, small producer organisations, NGOs, and politicians to foster a dialogue between them.⁵⁰

THE GERMAN GOVERNMENT has to oblige companies, including supermarket chains, to ensure that human rights and labour rights are respected by their suppliers and producers as well. It has to introduce a statutory due diligence obligation for human rights and oblige companies to disclose their own social and environmental production conditions and those of their suppliers.

The federal government should take on the UN Guiding Principles for Business and Human Rights adopted by the UN Human Rights Council in June 2011⁵¹, and regulate by law that companies with global supply chains have to ensure that their producers observe human rights and labour rights. In particular, it should provide for the introduction of a so-called "due diligence obligation for human rights" applicable to companies with regard to their supply chain as part of its "National Action Plan to Implement the UN Guiding Principles" which is currently being drafted.⁵²

Since transparency is a first step towards greater social corporate responsibility, companies should be required to disclose their social and environmental production conditions. The federal government should design the implementation act for the EU CSR Directive 2014/95/EU, which is currently to be drafted, in a way that the four large supermarket chains Aldi, Edeka, Lidl and Rewe are also obliged to disclose working and production conditions on the pineapple and banana plantations that produce for them.⁵³

THE GERMAN GOVERNMENT has to take appropriate measures to prevent unfair purchasing practices.

In order to curtail the abuse of market power of German supermarket chains, the federal government should restrict this market power and legally prohibit unfair purchasing practices, such as unjustified retroactive demands for discounts from suppliers. It should establish a dispute resolution body which can punish and sanction such practices with appropriate means in a timely fashion.

THE GOVERNMENTS IN ECUADOR AND COSTA RICA have to ensure that companies observe union rights, pay living wages and do not undermine the statutory minimum wage, and that they guarantee the occupational safety and health of their workers. They have to enforce adherence to their labour laws and environmental laws more rigorously.

Observing human rights and labour laws and preventing damage to the environment or health damages is also a responsibility of the governments in the production countries. Both governments and supervisory bodies must check more effectively that existing labour laws and environmental laws are observed. They should define minimum wages that are actually sufficient to make a living without drifting into poverty. They must rigorously punish any attempts to suppress union rights. In order to protect workers, residents and the environment, there should be greater restrictions especially concerning the use of pesticides, and ecologically sustainable farming methods should be promoted.

CONSUMERS should buy Fairtrade fruits and exert pressure on supermarket chains to pay their suppliers fair prices and ensure that their suppliers offer good working conditions.

Consumers should increasingly buy Fairtrade fruits in order to prompt supermarkets to include more Fairtrade products in their product range. By participating in highly visible activities, e.g. petitions, they should exert pressure on supermarkets to pay suppliers fair prices and guarantee that their suppliers offer good working conditions.



Jorge Acosta, ASTAC

“Supermarkets demand high quality fruits which look good for their customers. Why don’t they demand a higher quality of life for the workers producing the bananas as a token of solidarity between the people?”

ENDNOTES

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5 Calculations by BASIC on the basis of data provided by Comtrade and Eurostat, BASIC study p.11.

6 See www.lidl-lohnt-sich.de/unternehmen.html.

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23 www.globalgap.org/de/whatwe-do/globalg.a.p.-certification/globalg.a.p.-00001/GRASP/faqgrasp/index.html.

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33 Oxfam survey, February 2016. Rewe Dortmund sells Fairtrade bananas.

34 See faostat3.fao.org/browse/T/TP/E.

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ABBREVIATIONS

ARCA Asociación Regional Centroamerica para el Agua y el Ambiente (Environmental Organisation in Central America)

ASTAC Asociación Sindical der Trabajadores Agrícolas, Bananeros, y Campesinos (Trade union in Ecuador)

BASIC Bureau d'Analyse Sociétale pour une Information Citoyenne (French research organisation)

CANAPEP Cámara Nacional de Productores y Exportadores de Piña (Association of pineapple producers and exporters in Costa Rica)

CIF Cost, Insurance and Freight (In international maritime trade, the CIF import price already contains freight, transport and insurance costs)

CIRAD Centre de coopération internationale en recherche agronomique pour le développement (French research organisation)

Comtrade UN foreign trade database (United Nations Commodity Trade Statistics Database)

CSR Corporate Social Responsibility

DEStatis Federal Statistical Office

Eurostat Statistical office of the European Union

FAO Food and Agriculture Organization of the United Nations

GRASP GLOBALG.A.P. Risk Assessment on Social Practice (voluntary additional module to assess the social practices of the GLOBALG.A.P.standard)

ILO International Labour Organization

PAN Pesticide Action Network (International Environmental Organization)

SAN Sustainable Agriculture Network (network of predominantly US American environmental organizations)

SINTRAPEM Sindicato Nacional de Trabajadores/as del Sector Privado Empresarial (Trade union in Costa Rica)

UN United Nations

UNT Union Nacional de Trabajadores y Trabajadoras (Trade Union in Costa Rica)

WWF World Wide Fund For Nature (International environmental organization)

MAKE SUPERMARKETS CHANGE THEIR WAYS!

We love tropical fruits. But what often accompanies them, such as exploitation and poisonous pesticides, leaves us with a bitter taste!

The four supermarket giants in Germany – Aldi, Edeka, Lidl, and Rewe – are also responsible for the exploitation taking place on fruit plantations. All of them have a lot to catch up on as far as sustainability and fairness in banana and pineapple farming is concerned.

Support our READY TO PLAY FAIR?! campaign and get involved on www.oxfam.de/makefruitfair. Or simply fill in the postcard addressed to Lidl and send it back to us by October 1, 2016.

More information on the READY TO PLAY FAIR?! campaign and other ways you can get involved:

www.oxfam.de/fitfuerfair

www.facebook.com/oxfam.de

HEY LIDL, GET READY TO PLAY FAIR!

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EDITOR

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May 2016
Oxfam Deutschland e.V.
Am Köllnischen Park 1
D-10179 Berlin
Tel: +49 30 – 45 30 69 – 0
E-Mail info@oxfam.de
www.oxfam.de

V.i.S.d.P.

Marion Lieser

AUTHORS

Franziska Humbert
Frank Braßel

EDITORS

Julia Jahnz
David Hachfeld

LAYOUT

Judith Fehlau
Malte Herok [mlthrk.com]

COVER PICTURE

Mirjam Haegele, Alexandra Weltz-Rombach

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This study was supported financially by the European Union. The content is the sole responsibility of Oxfam Germany e.V.; It does not reflect position of the EU.