



***‘The story behind the pineapples sold on our  
supermarket shelves:  
A case study of Costa Rica’***

**Summary of research carried out**

**by Banana Link on behalf of Consumers International**



This research was undertaken with the financial assistance of the European Union. This report is the sole responsibility of Consumers International and can under no circumstances be regarded as reflecting the position of the European Union.

## **Acknowledgements**

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## **Introduction**

This research was commissioned by Consumers International as part of an EC funded project to raise awareness amongst European consumers of the impact that supermarket supply chain policies can have on producers, workers and communities in developing countries; and to help bring about positive change. Consumers International is working in partnership with the following member organisations Test-Achats/Test Aankoop (Belgium); Forbrugerrådet (The Danish Consumer Council); Consommation, Logement et Cadre de Vie (CLCV) (France); New INKA (Greece); The Association of Polish Consumers (APC); Organización de Consumidores y Usuarios (OCU) (Spain); ALTROCONSUMO (Italy) and DECO (Portugal).

In the majority of the European countries listed above, over 60% of the grocery market share in each country is held by just five major retailers. Such consolidation brings opportunities and risks. A large company adopting good policies and practices can deliver far-reaching benefits throughout their supply chains, but equally the concentration of power can lead to abuses.

This research investigates the ‘producer community’ side of the story. Building on the previous research<sup>i</sup> carried out by Consumers International and its members on the policies of leading European supermarkets relating to labour conditions, the case study follows one product – fresh pineapples - from field to supermarket shelf.

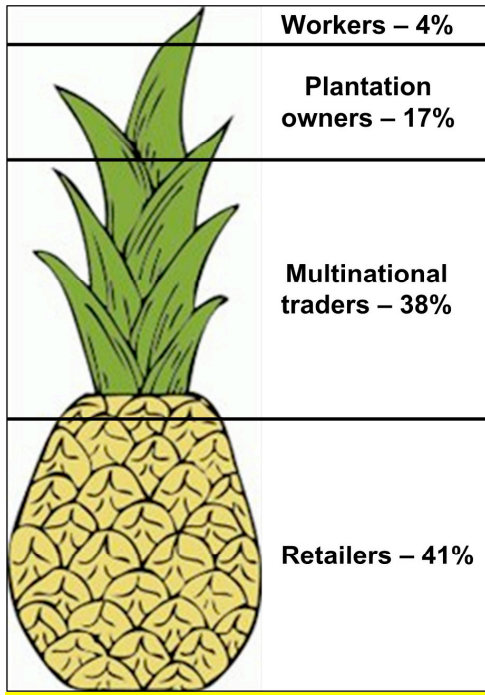
## **Context**

The world pineapple market has been expanding rapidly for the last twenty years; production has risen by nearly 50% since 1998 alone.<sup>ii</sup> The majority of fresh pineapples sold on European markets are produced in Latin America, 75% of which come from Costa Rica<sup>iii</sup>. They arrive at major ports in the Netherlands, Belgium, Germany and France and are then transported from these countries to the rest of Europe, either by importing companies or the retailers themselves.

Information on pineapples sold in 42 different supermarket chains across the eight European countries was collected as part of this research. A total of forty different brands of Costa Rican pineapple were identified but many of these have been re-labelled by retailers such as ‘Carrefour selection’ or ‘Delhaize private label’ with no other information available as to which company actually produced the pineapple on the ground in Costa Rica. Key companies that were however identified included **Del Monte** (who produce over 50% of Costa Rica’s pineapple exports), **Dole**, **Agricola Agromonte**, **Grupo Acon** and **Banacol** – the first two being multinational companies, the third and fourth Costa Rican and the fifth a Colombian company.

The number of companies, brands and importers operating in the pineapple industry combined with the complexity of European cross-country imports means that establishing clear links between the pineapples sold on supermarket shelves and conditions on the ground is extremely challenging. However it is still possible to draw overall conclusions about the effectiveness of the policies of leading European supermarkets in ensuring fair conditions for workers at the other end of the pineapple supply chain.

The purpose of a supermarket code of conduct is to ensure that certain social and environmental standards are maintained throughout their supply chains, from field to shelf. Trading relationships can have an influence not only on the conditions along the supply chains but also on the leverage a retailer has on those conditions; the more direct the relationship the more opportunity for a retailer to ensure their code of conduct is implemented at plantation level.



The 'pineapple split' diagram to the left shows how the value of a pineapple is distributed between the various actors along a typical European supply chain - with retailers taking up to 41% of the final value of a pineapple compared to workers who receive approximately 4% of the value (in the form of wages). These figures also correlate to the power that these actors have along the chain, with just a few major multinational traders and retailers controlling the market all the way from plantations to consumers.

Previous research by Banana Link on the Costa Rican banana supply chain <sup>n</sup> - which involves many of the same corporate actors as the pineapple supply chain – has illustrated how supermarkets use their buyer power to push down prices to unsustainable levels directly impacting on worker wages, hours, health and safety, union repression and job security.

**Key Issues**

Very few examples of certified pineapples were found in the survey of brands found in European supermarkets, with Fairtrade, Organic and Rainforest Alliance Certified pineapples only found in a small number of retailers - mainly in Belgium and Denmark. To assess whether or not supermarkets are implementing their social and environmental policies on the ground the research therefore concentrates on conditions in their non-certified pineapple supply chains.

This research was carried out in the South and Central Atlantic, South Pacific and Northern zones of Costa Rica in March and June 2010. Interviews were carried out with 87 workers, trade unionists, local residents, small producer representatives, plantation managers and academics.

- **Economic impact**

Costa Rican pineapple exports have been growing steadily since 1986 and have gradually displaced Europe's main supplier in the 1980s – the Ivory Coast (down to 5% of EU imports in 2009). By 2009 pineapples were bringing in \$700 million to the Costa Rican economy, compared to just \$200 million in 2002. This exponential growth, while bringing important revenues for the country and thousands of jobs, has also led to significant negative social and environmental consequences for communities surrounding the plantations and specific problems in terms of working conditions and workers' rights on many of the plantations.

- **Social impact**

- wages

The typical wage for Costa Rican pineapple workers is approximately €73 per week. This is above the national minimum wage of €62.46 per 48 hour/6 day week, but they may have to work for up to 80 hours a week to earn this basic salary. Workers judged that the salary required for a family to have a 'decent' standard of living would actually be approximately €176 per week. This calculation is based on typical family living costs (food, housing, utilities, public transport, clothing, telecommunications, school education and/or childcare) plus the additional expenses required for a 'non-poverty' lifestyle such as participation in social or cultural activities, the purchase of household goods and non-public transport costs (i.e., a bicycle or moped).

Many pineapple workers are therefore earning less than half of what they themselves deem to be a 'living wage'.

- working conditions

The excessively long hours mentioned above are a particular issue considering the conditions of work on the plantation. In the field, workers are directly exposed directly to very hot sun and heavy rains, often with no shelter even during breaks or lunch. The work in both the field and the packing plant involves heavy and repetitive tasks that put a lot of strain on the body (e.g., constant bending over to plant seedlings, weed and harvest the pineapples). Many plantations and packing plants operate 24 hours a day:

*“Less people work at night than during the day, not many workers like to do night shifts. There are snakes in the plantations at night and these sometimes bite workers. Three workers have been killed this way in the last year. The artificial lights they give us aren't good enough either, they cast shadows where you can't see anything.”* Worker, Grupo Acon

- health impacts

Due to the physical intensity of the work on pineapple plantations many workers suffer back problems and damage to joints and muscles. Many workers also reported accidents in the workplace ranging from damage to eyes from the long spiky pineapple leaves to being left immobile after accidents involving heavy machinery such as tractors and trailers. Working with high levels of agrochemicals also led to reports of problems of skin and eye irritation and damage, respiratory and bronchial disorders, problems associated with the nervous system, birth defects (in women workers and the partners of male workers), male sterility and psychological problems such as anxiety and depression.

*“Twice I was poisoned. The symptoms included vomiting, nausea, physical weakness, lack of energy and skin irritations.... I was taken off the job with chemicals for 15 days and made to do other work, but I didn't get any time off to recover – I had to be back to work the next day”.* Ex-worker at Piñales de Santa Clara plantation (Del Monte supplier)

Protection is provided on most plantations (including gloves, aprons and masks) but some workers reported that the costs of protective clothing were deducted automatically from their payslip if were deemed to be 'over using' the equipment.

- migrant workers and the casualisation of labour

Approximately 70% of workers in the Costa Rican pineapple industry are Nicaraguan migrants who have left their country due to low wages and few job opportunities. These migrant workers are the 'secret' of Costa Rica's pineapple success story, providing a cheaper and more flexible workforce. Many have no official papers or visas which leaves them particularly vulnerable to the power of their employers, who can both sack them and deport them (i.e. if they complain about working conditions or join a trade union). Around 50% of workers on Costa Rican pineapple plantations are hired through subcontractors who provide similar benefits in the form of a flexible, low paid and non-unionised workforce whilst also further decreasing the company's direct responsibility to provide adequate working conditions in line with national and international labour laws.

- women workers

Unemployment amongst women is high in Costa Rica (11.2%<sup>iv</sup>) and pineapple companies increasingly prefer to employ men over women due to the 'high costs' associated with employing women:

*"They simply don't want women in the packing plants. Our boss says that 'men are stronger and quicker so make more profit; they don't have problems at home, they don't take maternity leave, they don't get sick as often.' The truth is that it's the women who work the hardest."* Woman worker, Del Monte.

For those women that do secure work in the pineapple packing plants (they generally don't work in the field) conditions can be very difficult. The long working hours are particularly challenging for women who are left with no spare time to care for the family and household. Three women working on one PINDECO (a Del Monte subsidiary) plantation also alleged severe cases of sexual discrimination and harassment from male plantation managers. Women also reported being sacked for becoming pregnant.

- union repression

The level of trade union organisation is extremely low – only 2% - in the Costa Rican pineapple industry. Union members often face discrimination, persecution and sometimes violence. Union organisers have reported death threats, vandalism of union offices and a recent case of the burning of an activist's house.

*"When the mass sackings started only non-union workers were re-hired and those that were re-hired found that their new jobs were on lower wage rates. Wages reduced by about 40% in this period and union membership has been reduced to just 11 workers now, from 90 before the sackings started."* Ex-worker, Grupo Acon

The UK ETI (Ethical Trading Initiative) states that 'preventing workers from organising and bargaining collectively in the workplace stifles improvement in their working conditions and undermines improvement in other aspects of workers' rights'<sup>v</sup>. This is certainly the case in the Costa Rican pineapple industry where repression of free trade unions and the consequent lack of collective bargaining agreements between workers and employers is a major obstacle to the improvement of conditions at plantation level.

- **Environmental impact**

Pineapple production in Costa Rica is characterised by large-scale, high-input, monoculture plantations. This type of production is dependent on regular and intense use of a number of toxic agrochemicals. Across the country the poor environmental practices of many national and international producers is leading to environmental problems such as contamination of ground water, soil erosion and sedimentation and deforestation.

Some communities in the South Atlantic zone now have drinking water brought in by government tankers because the local source is too polluted by the toxic chemicals used in pineapple production. Residents are forced to continue to use local water sources for washing and attribute skin complaints and health problems to this polluted water. The community residents claim that the local pineapple company 'Hacienda Ojo de Agua' is responsible; they have been producing pineapples adjacent to these communities for seventeen years and sell their fruit to Del Monte.

Despite nationwide campaigns to halt the expansion of pineapple plantations and hold the companies responsible for their actions, the problems remain to be solved as the economic and political power and influence of companies continues to secure their impunity.

## **Conclusions**

- ***Alternatives do exist***

The research focused on the large-scale producers in the Atlantic and South Pacific regions as this represents the majority of pineapple production destined for EU supermarkets. More positive examples can however be found in the smaller-scale plantations in the Northern region, where producers - as part of the association of small producers ASOPROAGROIN - are working towards sustainable production practices and both Organic and Fairtrade certification.

The very nature of small-scale production reduces both the level of environmental degradation and the need for such high levels of agrochemicals. Fairtrade certification includes a ban on a number of the most toxic chemicals used in conventional pineapple production, as does the Sustainable Agriculture Network (SAN) standard which is required by Rainforest Alliance Certified. Another benefit of the Fairtrade certification is the 'social premium' payment to producers which, in the case of ASOPROAGROIN, has funded projects including the construction of an aqueduct, the support of local schools and clinics, as well as improvements in local infrastructure such as roads and bridges.

- ***Implementation of retailer policy and practice on the ground***

The system of auditing, certification and corporate codes of conduct does not appear to be translating into the achievement of good social and environmental conditions on the majority of large-scale pineapple plantations in Costa Rica, the source of most of Europe's pineapples. The research shows that supermarkets across the eight European countries involved source pineapples from plantations where social and environmental conditions were found to be poor – either directly or through large multinational companies such as Del Monte.

In order to assess the impact of retailers' codes of conduct and policies along supply chains, evidence was gathered on auditing procedures themselves – the key means to ensure that

standards are being implemented at a plantation level. It appears that very few retailers actually carry out their own audits on supplier plantations. The local trade union SITRAP had in fact only ever had contact with auditors from one retailer- Tesco in the UK. Other retailers may of course carry out independent auditing but this must be considered in the context of the worker's experiences of auditing procedures at plantation level:

*"The company always knows they [the auditors] are coming and they prepare the plantations. In my whole life not one auditor has spoken to me. The bosses always direct them to non-union members and the least problematic groups of workers. In preparation for the visits the company train the workers on what to say - they have group meetings to prepare the workers for the audit. They say that if they don't speak well of the conditions at the plantation they will lose their jobs because the plantation will be shut down. I don't understand why the auditors never come by surprise – this is the only way they can see the reality of conditions"* Ex-worker, Grupo Acon.

○ **Why is this happening in the Costa Rican pineapple industry?**

1. **Poor labour practices** by national and multinational producers are creating obstacles to the implementation of policies and standards, particularly the repression of trade unions and consequent lack of social dialogue and collective bargaining between workers and employers.
2. **Poor governance in producing countries** permits big companies to abuse their power and operate with impunity, despite ongoing pressure from workers and communities to hold them to account for their actions and poor social and environmental practices.
3. **The concentration of power along the supply chain** results in a combination of downward pressures on prices and abusive supermarket buying practices that ultimately squeeze the most flexible cost in the chain: labour.
4. **The increasing pressure of low retail prices** further decreases the capacity of producers to invest in the improvement of conditions on their plantations, for example, wage increases, permanent contracts and sustainable production systems.

○ **A fair and sustainable pineapple industry - what would it look like?**

A fair and equitable pineapple production and trade based on social, environmental and economic sustainability would need to work towards the following goals:

**Better working conditions on the ground** including:

- the payment of living wages for all workers
- shorter shifts and more paid breaks and holiday time
- increased job security, particularly for migrant and sub-contracted workers
- better health and safety practices, particularly concerning roles involving use of agrochemicals
- respect for freedom of association and collective bargaining
- no gender discrimination.

**The development and adoption of Sustainable Production Systems (SPS) across the industry:**

- investment in research on the impacts of pineapple production and how these can be quantified and minimised
- a reduction in environmental impacts of pineapple production, particularly with regard to

- agrochemical use, water resources and biodiversity
- sharing of good practice on SPS amongst all actors along the supply chain.

#### **A fairer distribution of value and power along the supply chain:**

- improvements in buying practices to ensure that costs and risks are shared fairly along the supply chain
- payment of prices that ensure that production costs, including living wages, are covered
- empowerment of workers through trade union organisation and collective bargaining
- support for market access for small-scale farmers, providing financial rewards for better practices.

#### **Effective and collaborative dialogue among all actors along the supply chain:**

- development of formal mechanisms and platforms to discuss and resolve social, environmental and economic issues
- collaboration and sharing of good practice to facilitate and support improvements across the industry
- more transparent and accountable supply chains to ensure that consumers have easy access to information on how their fruit is produced.

#### **Endnotes:**

<sup>i</sup> Consumers International March 2010, 'Checked out – Are European supermarkets really living up to their responsibilities for labour conditions in the developing world?'

<sup>n</sup> The Action Aid 2008 study 'Who Pays? - How British supermarkets are keeping women workers in poverty'

<sup>ii</sup> <http://www.fao.org/corp/statistics/en/>

<sup>iii</sup> Fruitrop March 2010 No.176, p27

<sup>iv</sup> Cifras Bascias sobre Fuerza de Trabajo Julio 2009, INEC Costa Rica

<sup>v</sup> 'ETI's three year strategic objectives' 2010. 2010 **The Ethical Trading Initiative** is a UK alliance of companies, trade unions and voluntary organisations working together to improve the working lives of people who make or grow consumer goods.

#### **For more information**

Visit [www.consumersinternational.org/pineapples](http://www.consumersinternational.org/pineapples)

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#### **About Consumers International**

Consumers International (CI) is the only independent global campaigning voice for consumers. With over 220 member organisations in 115 countries, we are building a powerful international consumer movement to help protect and empower consumers everywhere.

CI is a not-for-profit company limited by guarantee and registered in the UK (company no. 4337865). We are also a registered UK charity (no. 1122155).



CI is 50

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