



Charting a
**BOLD NEW
COURSE**
for the Future

2021 Annual Report

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About EFI

Equitable Food Initiative (EFI) is a nonprofit skill-building and certification organization for the fresh produce industry that brings together the entire supply chain to transform agriculture and create a safer, more equitable food system. EFI-certified farms meet rigorous standards for labor practices, food safety and pest management. They commit to a culture of worker engagement and continuous improvement to provide Responsibly Grown, Farmworker Assured® fruits and vegetables.

EFI's mission is to bring together growers, farmworkers, retailers and consumers to transform agriculture and the lives of farmworkers.

Dear Friends,

My first experience as executive director of a nonprofit organization began 30 years ago, and since then it has been my privilege to work in a variety of efforts to make the food system more equitable for the women and men whose work sustains it. I've collaborated with talented and committed colleagues around the world on projects that share a common focus on engaging the voice and agency of working people in shaping better ways of producing and distributing food. But I've never before felt so strong a sense of faith and optimism in that pursuit as I do after 10 years with Equitable Food Initiative.

EFI's mission statement is nothing if not ambitious: to transform agriculture and the lives of farmworkers! As our board, staff and stakeholders worked throughout 2021 on a new five-year strategy (see page 5 for a full description), the promise of the three main areas of work defined in that plan convinced me that EFI really can change the way the produce industry relates to farmworkers.

As 2021 came to an end, we were finalizing our application for accreditation to the Global Food Safety Initiative (GFSI), a benchmarking process for third-party certifications designed to reduce the risk of produce contamination. We expect to receive this accreditation by fall 2022, making EFI the only certification in the industry to meet retail requirements for labor conditions, food safety and integrated pest management through a single audit. Produce growers constantly complain about the cost in time and money of meeting multiple retail requirements through different audits. EFI's "one-stop-shop" program could indeed transform industry expectations on this front, and the prospect of GFSI accreditation has us expecting significant new demand for our certification in the coming year—in line with the first pillar of our 2026 strategy.

EFI's certification is the most demanding in the produce industry, so we have always known that only the best agricultural employers can attain it. That often prompts a question: What are you doing for workers in the rest of the supply chain? Back in 2018, when the two major produce trade associations published the Ethical Charter on Responsible Labor Practices in response to allegations of widespread labor abuse, EFI saw an opening. We suggested that the Ethical Charter would only ever be words on a page until the industry developed a system for implementation and verification of the practices it affirms. EFI worked with major buyers and suppliers to pilot a capacity-building program for growers and workers to strengthen the management systems they need to abide by the

From the EXECUTIVE DIRECTOR



EFI's mission statement is nothing if not ambitious: to transform agriculture and the lives of farmworkers!



From the
**EXECUTIVE
DIRECTOR**
continued



Charter's principles. By December of 2021, we were negotiating how that pilot could be extended to suppliers across the industry over the next five years, thereby establishing a minimum requirement for reporting on labor practices for all produce suppliers. Fulfilling the second pillar of EFI's new strategy really would represent industry transformation.

But what about the lives of farmworkers? We have plenty of evidence to suggest that our program makes a real difference on the farms we certify, but our bold mission statement challenges us to think bigger. In 2021, we created a committee of worker and manager representatives from the Leadership Teams EFI forms on the farms we certify (see page 8). As committee members helped shape our new strategy, their most consistent request was for more training. We also heard over and over again from growers, who are facing an acute labor shortage: they need a more professional workforce to maintain productivity with fewer workers.

We listened, and the third pillar of our new strategy was born from those consultations. By the end of 2021, EFI was working with the California Workforce Development Board and some of our foundation donors to develop a network of state agencies, employers, educators and worker organizations who can collaborate on documenting, providing and credentialing a wide range of agricultural skills. In piloting a state-level system in California, EFI hopes to create rewarding career pathways for workers while helping the produce industry meet the need to adapt to new challenges, opportunities and technologies.

As I write this letter in 2022, EFI is already making rapid progress in all three pillars of our new strategy. None of this would be possible without the guidance of our multistakeholder board, the talent and commitment of our staff and of course the financial contributions and expertise of our funding partners. We deeply appreciate all your support and hope that this 2021 Annual Report gives you a sense of why we believe now, more than ever, in EFI's potential to transform the produce industry and the lives of the essential workers upon which it depends.

Gratefully,

Peter O'Driscoll
Executive Director

Defining a **NEW STRATEGY**

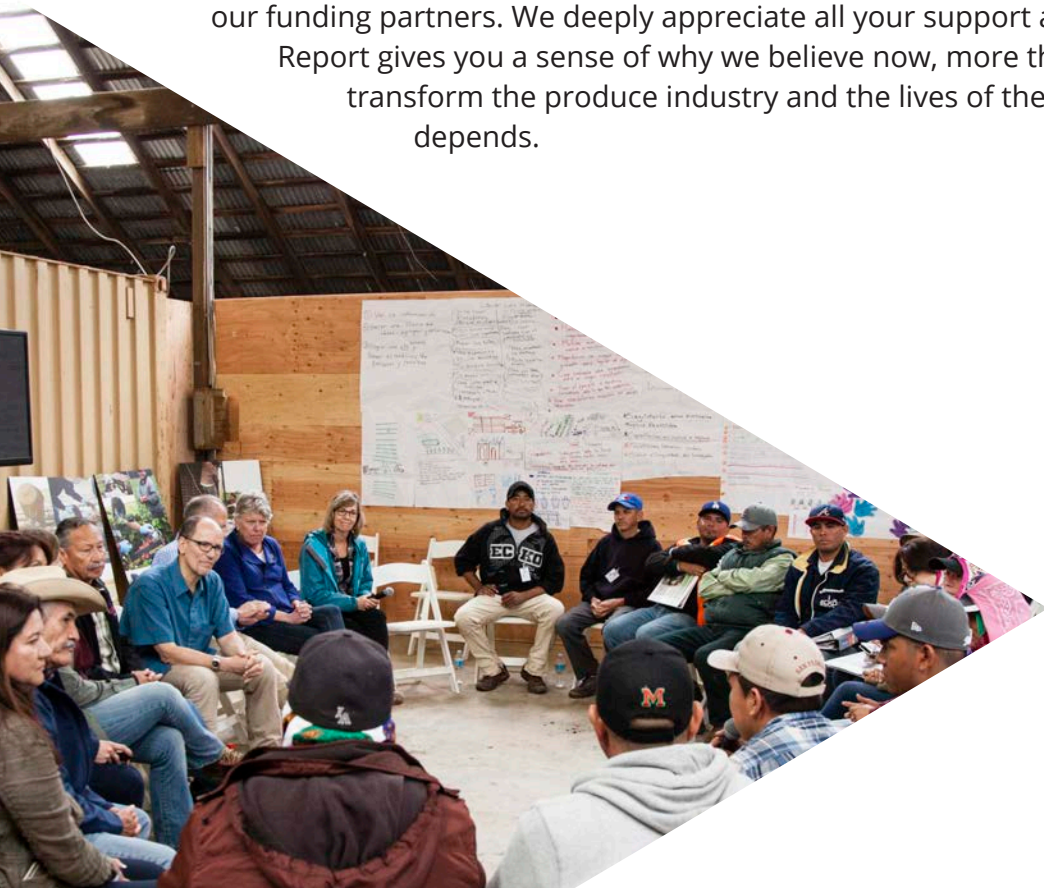
Timeline and Process

In February 2021, EFI staff kicked off an eight-month strategic planning process that included a third-party assessment of existing and potential products, analysis of the produce industry ecosystem, input from the EFI board of directors and opportunities for all staff to offer insight and content. The 2026 strategy was officially adopted by the EFI board in October and will guide the organization's priorities for the next five years. It focuses our work on three key areas and outlines milestones for organizational sustainability to support the growth and systems necessary to achieve EFI's strategic program goals.

Industry Relevance

After three years as a pilot program, EFI incorporated in 2015 with the goal of engaging farmworkers in processes to enhance labor and food safety practices in retail supply chains. Since that time, pressures within the industry have intensified, and many farming operations now struggle to attract and retain skilled labor, to work within tight margins against downward price pressure, to understand the shifting technology landscape, and to respond to increased pressure from retailers and consumers to meet social responsibility, food safety and sustainability standards.

EFI's 2026 strategy is rooted in the belief that our workforce development solutions can help alleviate these industry pressures and that we can support workers and growers to achieve both better business performance and higher levels of supply chain assurance. Our new approach must create value for all stakeholders, beyond safer food and more responsible labor practices, by improving product quality and making work processes more efficient for farming operations and for workers.



Guiding Principles

The following guiding principles differentiate EFI's approach and help shape the solutions and products we offer:

- ▶ **Worker Engagement and Agency.** EFI's programs to increase assurance, improve quality and drive business performance are all grounded in engaging and training workers to develop their agency and provide channels for their ideas.
- ▶ **Supplier Segmentation.** EFI helps retail buyers recognize the leaders in the produce industry through certification and provides continuous improvement tools and resources for the "striver" suppliers who want to improve their labor practices.
- ▶ **Continuous Improvement.** EFI promotes a culture of continuous improvement in which workers and managers are encouraged to speak up when things aren't working, and where they have the skills and incentive to solve problems.
- ▶ **Skill-Building for Workers and Managers.** EFI recognizes that the skills and contributions of farmworkers create healthier work environments and produce safer food. Offering skill-building and credentialing opportunities for workers will improve product quality, business performance and the workplace experience.
- ▶ **Leveraging Market Forces.** EFI's stakeholder model requires growers, workers, retailers and consumers to all maintain "skin in the game" in order to create new value and respond to the shifting demands of the marketplace.

Defining a
NEW STRATEGY
continued



Pillar One: Certify Industry Leaders

Offer cost-effective products and services that bring value to all supply chain stakeholders, that are in demand in the marketplace, that are delivered in a streamlined, efficient manner, and that set EFI apart as the certifier of choice for "leader" produce growers in the Americas.

EFI's core work remains certifying leading fresh produce farming operations to the most rigorous labor, food safety and integrated pest management standards in the industry. We will strive to reduce the audit burden on farming operations while simultaneously offering a competitive advantage and a recognized label that helps growers distinguish themselves to retail customers and prospective employees. EFI will streamline our standards and certification process to create an integrated, holistic customer experience. After initial COVID-19 disruptions, 2021 brought in many new produce suppliers, and by year-end EFI had 48 certified operations and 21 more in progress.



Pillar Two: Drive Market-Responsive Continuous Improvement

Create marketable products that fulfill EFI's mission by engaging new populations of workers and types of organizations, and by delivering consulting projects that fund EFI's mission-aligned work.

Providing revenue-generating products and consulting services to agricultural organizations seeking continuous improvement will help extend EFI's mission and financial stability. During 2021, EFI made significant advances in developing our worker survey/employer self-assessment tool and furthering conversations with retailers and growers about how this scalable tool could strengthen labor practices across the industry. Our market-driven solutions will be shaped by the Ethical Charter on Responsible Labor Practices, and by retailers that require their suppliers to complete self-assessment questionnaires. EFI can also offer non-certification options to growers who want an introduction to workforce development products.



Pillar Three: Build and Credential Skills for Farmworkers and Managers

Create an industry-wide framework for skill-building and credentialing to provide career ladders for agricultural workers and managers.

During 2021, growing awareness of essential workers, disruption in supply chains due to labor shortages, acceleration of climate change and public scandals in the rapidly growing H-2A program magnified the need for a more professional workforce that can interface with new technologies and remain productive with fewer workers. EFI will partner with workers, growers and retailers, as well as state agencies and other skill providers, to define and catalogue agricultural skills and work processes. From foundational competencies to crop-specific skills to high-tech functions, EFI will help the produce industry document, provide and credential the competencies of a more professional agricultural workforce. A state-level pilot that we launched in California in 2021 will help shape and refine this program area.

Strategic Pillars

Strategic pillars define EFI's work and the activities that will deliver on our mission.



Certify Industry "Leaders"



Drive Market-Responsive Continuous Improvement

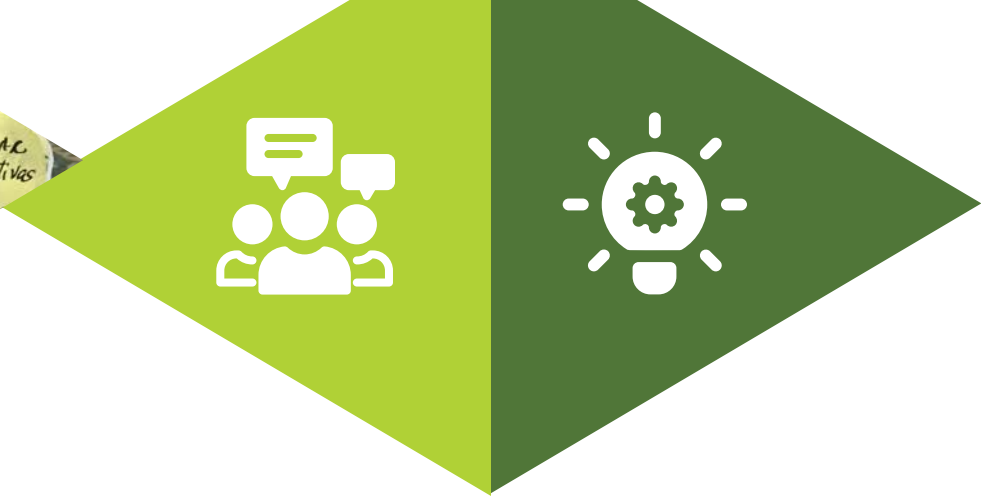


Build and Credential Skills for Farmworkers and Managers

efi

Organizational Sustainability

Sustain the People, the Culture, the Financing and the Systems Needed To Implement EFI's Work



Primary Research Reveals **WORKER SUGGESTIONS** for Improving Recruitment

Integrating **WORKER VOICE** Into EFI Operations

Since EFI first began certifying farms in 2014, the board of directors has sought interaction and feedback from EFI worker-manager Leadership Teams to better understand the impact of our certification program. EFI formalized that feedback loop in 2021 and integrated worker voice into our governance by forming the Leadership Team Committee. The committee played a pivotal role in shaping EFI's new strategy and will continue to monitor and refine its implementation.

The committee was formed by bringing together more than 80 representatives of Leadership Teams from certified farms in a series of virtual consultations to select 14 members of the advisory group. The group then met monthly to define its scope and generate recommendations to the EFI board of directors and staff as part of the organization's strategic planning process and was officially named as a standing board committee in October.

"The advisory group is a pivotal step in maintaining our organizational commitment to include all members of the supply chain, and to offer workers more voice in shaping the future of EFI," noted Alice Linsmeier, Senior Workforce Development Facilitator for EFI. "Direct input from the farmworker and farming operation perspective on program improvements is vital."

We are grateful to the following EFI-certified farming operations that have allowed their employees' time and support to serve on the committee:

- ▶ Agrofrutillas
- ▶ Buenaventura Ranch
- ▶ El Milagro de Baja
- ▶ El Sol, El Cultivo y La Tierra
- ▶ Frutos de Huerta Real
- ▶ NatureSweet Invernaderos
- ▶ Promotora Agrícola el Toro
- ▶ Rainier Fruit
- ▶ Rancho Don Juanito
- ▶ Rancho Nuevo Produce
- ▶ Rouge River Farms
- ▶ Stemilt Growers
- ▶ Windset Farms® - Santa Maria and Delta operations

EFI partnered with Cierito Global and &Wider to conduct more than 1,300 interviews with 650 recruited workers in Mexico to obtain feedback on recruitment practices and guest worker experiences.

The eight-month study highlighted the challenges Mexican farmworkers face when they are recruited and deployed to work in the United States. Workers reported concerns around transparency in contracts, physical safety, isolation, high costs related to travel or recruitment, and threats or abuse from employers.

The study showed that additional diligence around responsible recruitment is needed because:

- ▶ 70% of those surveyed report that threats of being sent home or not hired again happen frequently
- ▶ 49% of respondents report that they felt they were not free to leave their farms
- ▶ 25% of respondents report that they had to pay recruitment fees to get their jobs

The research also captured ideas from workers on improving recruitment processes and policies. According to the study, the most important areas of focus for recruitment and human resource managers include:

- ▶ starting with a responsible recruitment process
- ▶ developing a clear and accurate flow of information and expectations for guest workers
- ▶ creating a positive and supportive community for all workers

One farmworker stated that "by creating community, life is easier and more pleasant, which can ease doubts about work problems and increase my productivity."

EFI published the full results of the study in both English and Spanish and produced an actionable guide, *10 Ways to Improve Recruitment of Guest Workers, According to Farmworkers*. The three reports are available at equitablefood.org/improving-recruitment.

10
**WAYS TO IMPROVE
RECRUITMENT OF
GUEST WORKERS**
ACCORDING TO FARMWORKERS

efi. &Wider



REACH & IMPACT

(as of December 31, 2021)

5



countries with active certifications: Canada, Guatemala, Mexico, Peru and United States



\$2.8M
paid in worker bonuses in 2021

\$14M
paid in worker bonuses since 2014

48
certifications completed

21
certifications in progress



4,172
total trained individuals

56,572
workers on farms with EFI-trained Leadership Teams

2,541
Leadership Team members trained



NEWS & NOTES

Responsible Recruitment Scorecard Becomes Interactive

Early in 2021, EFI released an updated interactive version of its Responsible Recruitment Scorecard, which helps growers assess their risk factors in the recruitment process and pursue recommended action steps. This free tool is particularly useful as retail buyers are increasingly asking their suppliers to comply with the Ethical Charter on Responsible Labor Practices and to demonstrate how they are proactively keeping forced labor out of their workforce. The Walmart Foundation provided partial funding for development of the tool.

Topics



Two-Year Grant From California Workforce Development Board Funds Efforts to Engage Workers in Reducing Greenhouse Gas Emissions

EFI received a High Road Training Partnership grant to partner with Measure to Improve, a leading sustainability consultant, to demonstrate how worker engagement in the design of waste management practices could help reduce greenhouse gas emissions.

The project launched the Produce & Reduce program at three EFI-certified operations in California to focus the existing worker-collaborative teams trained by EFI on sustainability efforts. The first year of project implementation has led to numerous learnings and plans for expansion.



We are also proud to showcase the EFI Responsibly Grown, Farmworker Assured label in our Sourced for Good program to let shoppers know how they are helping in our goal to make a difference.



Erik Brown, Executive Leader for Produce, Whole Foods Market

NEWS & NOTES

continued

GoodFarms Strawberries First EFI-Certified Product in Whole Foods Market's Sourced for Good Program

Just in time for National Strawberry Month in May, GoodFarms' strawberries debuted as the first EFI-certified product in Whole Foods Market's Sourced for Good program. EFI launched social media giveaways and campaigns to raise awareness of the program and encourage consumers to thank farmworkers.

This National Strawberry Month

Join us in shedding light on socially responsible strawberries.



People First Webinar Series Brings Audience to Critical EFI Topics

EFI partnered with a leading fresh produce trade publication, *The Packer*, to develop a content series called People First: A Spotlight on Social Responsibility. Headlining the program was a four-part webinar series covering the topics of recruitment, worker voice, social compliance and the Ethical Charter for Responsible Labor Practices. The webinars brought in an audience of 250 and included extended coverage of EFI and its partners in more than 20 featured articles.

EFI Named as a Qualified Certification for Walmart Pollinator Health Commitments

Based on our strong integrated pest management standards, EFI was named one of the third party-verified certification programs by which suppliers can satisfy Walmart's new pollinator health commitment. This recognition further helps fresh produce growers meet evolving retailer requirements with a single audit through EFI certification.

COVID White Paper Highlights Importance of People, Collaboration and Communication

EFI partnered with *The Packer* and surveyed fresh produce growers about lessons learned in the pandemic that could help develop a more resilient global supply chain. Three themes emerged from the survey: people (investing in the right people who can remain flexible is key), collaboration (relying on existing partnerships and associations is critical) and communication (using multiple networks and platforms helps share information effectively and efficiently). The complete findings are explored in a white paper, which is available [online](#).



WHAT COVID-19 TAUGHT US ABOUT HANDLING A CRISIS

EFI Focuses on Midwest Region for Growth Opportunities

In May, EFI partnered with Kitchen Table Consultants to evaluate the state of the Midwest fresh fruit and vegetable industry and understand the unique challenges and opportunities of the region. In this tight labor market, Kitchen Table Consultants also identified grower interest in improving labor practices, building a resilient workforce and professionalizing agricultural labor across the industry. The study was made possible with a grant from an anonymous donor via a donor-advised fund at Chicago Community Trust.



Toolkit Aims to Increase Participation in Farmworker Awareness Week

EFI developed and shared a [Communications Toolkit](#) to encourage agricultural industry members to honor the contributions of farmworkers in ensuring the availability, quality and safety of our food in celebration of Farmworker Awareness Week. The annual recognition was more pertinent in the wake of the coronavirus pandemic, which raised awareness of #alwaysessential workers. EFI used the occasion to underscore the vital role workers play and the ongoing need to ensure safer and healthier working conditions.

2021 FINANCIAL REPORT

Statement of Financial Position

Year Ended December 31, 2021

	2021	2020
ASSETS		
Cash and cash equivalents	\$ 557,585	\$ 500,907
Grants and accounts receivable, net	452,688	116,206
Prepaid expenses	9,109	10,543
Deposits	7,300	7,471
TOTAL ASSETS	1,026,682	635,127
LIABILITIES AND NET ASSETS		
Liabilities		
Accounts payable and accrued expenses	310,118	357,889
Total Liabilities	310,118	357,889
NET ASSETS		
Without donor restriction	166,130	(299,454)
With donor restriction	550,434	576,692
Total Net Assets	716,564	277,238
TOTAL LIABILITIES AND NET ASSETS	\$ 1,026,682	\$ 635,127

Statement of Activities

Year Ended December 31, 2021

	Without Donor Restriction	With Donor Restriction	2021 Total	2020 Total
Revenue				
Contributions and grants	\$ 1,301,190	\$ 1,250,000	\$ 2,551,190	\$ 896,600
In-kind contributions	79,852	-	79,952	23,131
Program income	797,966	-	797,966	709,471
Other Income	1,396	-	1,396	19,808
Net assets released from restrictions	1,276,258	(1,276,258)	-	-
Total Revenue and Support	3,456,762	(26,258)	3,403,504	1,649,010
Expenses				
Program Service	2,435,220		2,435,220	1,740,599
Management and General	539,343		539,343	726,735
Fundraising	16,615		16,615	93,934
Total Expenses	2,991,178	-	2,991,178	2,561,268
Change in Net Assets	465,584	(26,258)	439,326	(912,258)
Net Assets, Beginning of Year	(299,454)	576,692	277,238	1,189,496
Net Assets, End of Year	\$ 166,130	\$ 550,434	\$ 716,564	\$ 277,238



“ I have learned a lot about how to speak. Good communication is something that is very important for the job and outside of work. I was always very quiet before, and I’ve tried to improve that, the EFI Program has helped me a lot. ”

Felipe Espana, Tractor Operator and EFI Leadership Team Member, Pacific Agra Farms for Keystone Marketing



“ During the pandemic, we decided early to be transparent and communicate frequently. Through the worker-manager collaborative teams, EFI really gave us the kind of the structure to be able to broadly train our employees, as well as have methods in place to be more proactive around problem solving and continuous improvement. ”

Brianna Shales, Marketing Director, Stemilt Growers



“ We focus on making sure our product is grown responsibly and that our employees are well taken care of. We want the workers to understand that this can’t be done without them. We work together to ensure that they are safe and that the product is safe. ”

Jessica Pedroza, Co-Owner, Farm Operations Manager, Pacific Agra Farms for Keystone Marketing



“ EFI has had a positive impact on employee morale due to the fact that the EFI Leadership Team has been very interactive with the employees. The structure gives employees a voice and place where they can bring their concerns and ideas without having to go to a supervisor or owner. It gives them an easier path to voice their opinions, which makes everyone feel they are more involved. ”

Chris Jorgensen, Human Resources, Hartley Produce for Onions 52

OUR DONORS

- California Workforce Development Board
- Chicago Community Trust
- Costco Wholesale
- Giant Eagle Foundation
- Humanity United
- The James Irvine Foundation
- Northwest Area Foundation
- Silicon Valley Community Foundation
- Walmart Foundation
- Wilson Sonsini Goodrich & Rosati

We are grateful to the following organizations that provided financial and in-kind support to EFI during 2021.

Many Thanks





2021 LEADERSHIP

BOARD OF DIRECTORS

Ernie Farley, Chair
Partner, Andrew & Williamson Fresh Produce

Preston Witt, Vice-Chair
Director, Supplier Code of Conduct Compliance, Costco Wholesale Corporation

Bruce Goldstein, Secretary
President, Farmworker Justice

Carol Schrader, Treasurer
Independent Consultant

Lori Castillo
Vice President, Marketing, NatureSweet Tomatoes

Michael Conroy
Independent Consultant

Maisie Ganzler
Chief Strategy and Brand Officer, Bon Appétit Management Company

Eva Greenthal
Policy Associate, Center for Science in the Public Interest

Thomas Gremillion
Director of Food Policy, Consumer Federation of America

Martin Guerena
Sustainable Agriculture Specialist, National Center for Appropriate Technology

Reyna Lopez
Executive Director, Pineros y Campesinos Unidos del Noroeste (PCUN)

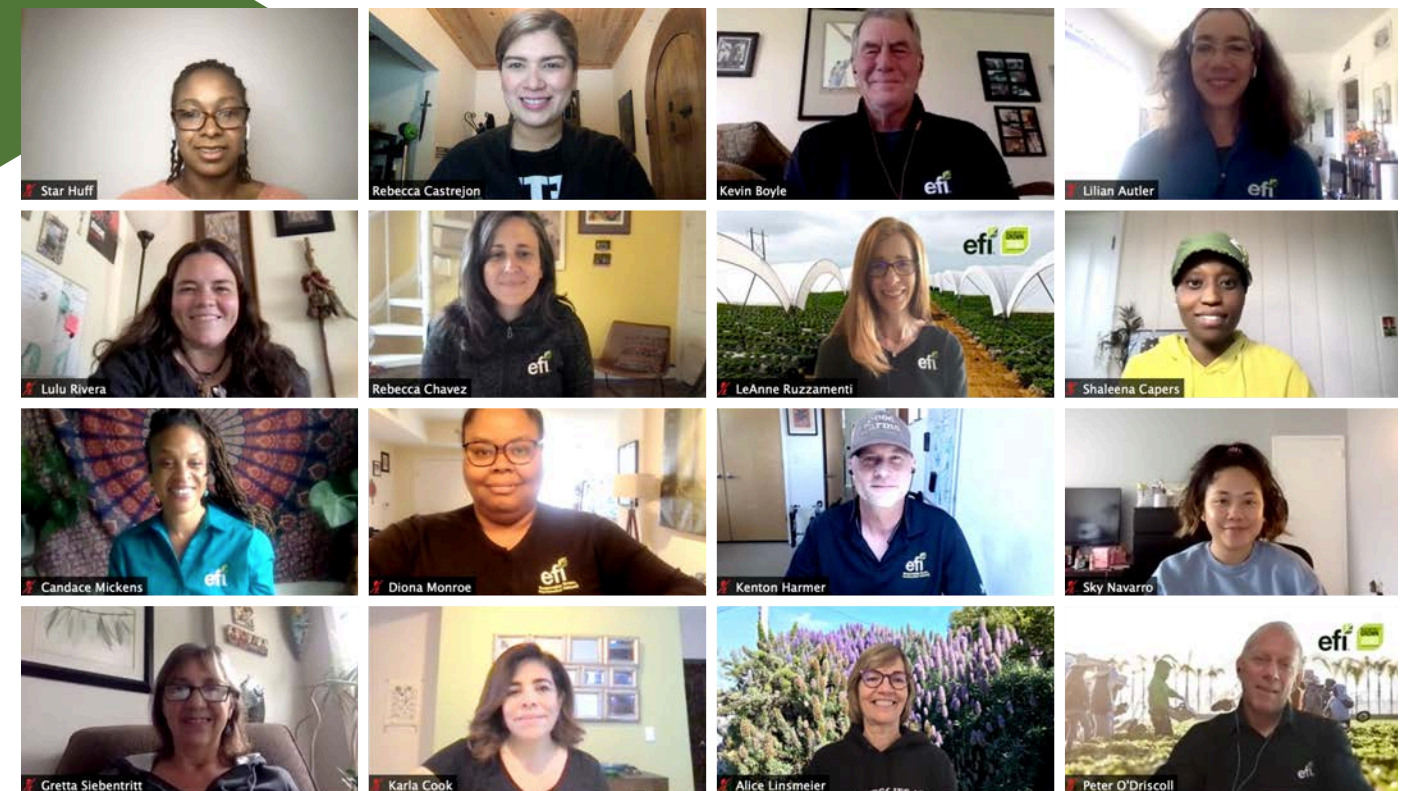
Erika Navarrete
Vice President, United Farm Workers

Margaret Reeves
Senior Scientist, Pesticide Action Network North America

Robert Silverman
Senior Manager of Private Sector Advocacy, Oxfam America

Victor Smith
Chief Executive Officer, JV Smith Companies

Baldemar Velasquez
President and Founder, Farm Labor Organizing Committee



STAFF

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Kevin Boyle
Director, Business & New Product Development

Shaleena Capers
Contracts & Grants Officer

Rebecca Castrejón
Community Engagement Officer

David Cea
Workforce Development Specialist

Rebecca Chavez
Business Development Manager

Karla Cook
Certification Manager

José Guillama
Workforce Development Specialist

Kenton Harmer
Managing Director

Star Huff
Operations Manager

Alice Linsmeier
Senior Facilitator, Workforce Development

Candace Mickens
Director, Finance & Operations

Diona Monroe
Certification Associate

Sky Navarro
Operations Data Associate

Peter O'Driscoll
Executive Director

Ana (Lulu) Rivera Collazo
Workforce Development Specialist

LeAnne Ruzzamenti
Director, Marketing Communications

Gretta Siebentritt
Director, Workforce Development

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