

2019 Annual Report



FRESH PRODUCE



RESPONSIBLY[®]
GROWN
FARMWORKER
ASSURED
EFICERTIFIED.ORG



Five Years of Responsibly Grown, Farmworker Assured[®]



Contents

From the Executive Director	3
Responsibly Grown, Farmworker Assured Across the Supply Chain	5
Reach & Impact	10
Sharing the EFI Mission	12
Partners Advancing the EFI Mission	15
Financial Report	16
Our Donors	18
2019 Leadership	19

About EFI

Equitable Food Initiative (EFI) is a nonprofit skill-building and certification organization for the fresh produce industry that brings together everyone in the 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.

Mission

Equitable Food Initiative brings together growers, farmworkers, retailers and consumers to transform agriculture and the lives of farmworkers.



From the Executive Director

2019 was a milestone year for Equitable Food Initiative! Oxfam America had incubated EFI through our development and pilot phases (2008–14), but five years ago we thanked Oxfam for its hospitality and set out on our own as a not-for-profit social enterprise.

There has been a lot to celebrate since our last annual report. We welcomed 15 new produce operations into the EFI Program; released findings from a two-year evaluation study that confirms the impact of EFI’s approach; held a joint consumer promotion of certified produce with Costco Wholesale; received funding from the Walmart Foundation for our work in Mexico; and certified our first facility in Guatemala, which joins the United States, Canada and Mexico as the fourth country with EFI-certified operations.

Despite those very promising 2019 results, I am writing now in the shadow of the **coronavirus** pandemic that has changed lives, organizations and entire economies. Amidst the hardship and disruption, the pandemic also shines a

bright light on the contributions of the “essential workers” who have risked their own safety to continue harvesting and distributing our food throughout the crisis. We sincerely hope that the gratitude and awareness of consumers and public officials will endure after the crisis.

The fresh produce industry had been dealing with a series of important disruptions even before COVID-19 changed everything. Volatile trade and tariff policies had destabilized markets and created uncertainty for growers. Extreme weather events forced the industry to look at climate change, sustainability and continuity of supply in new ways. An ongoing agricultural labor shortage in both the United States and Mexico produced new thinking on how companies need to engage their workers.

Even as produce sales were rocked by continued outbreaks of foodborne illness, a growing chorus of influential buyers began echoing an EFI talking point: It’s time to elevate labor concerns to the same priority level as food safety. In 2019 a small group of major retailers engaged EFI to help develop an implementation strategy for the



Continued

From the Executive Director

Continued

industry's Ethical Charter on Responsible Labor Practices. And during the pandemic, as growers scrambled to develop social distancing strategies in fields, packhouses and processing facilities, companies with EFI Leadership Teams benefited from worker creativity in redesigning their systems and processes for the "new normal."

It seems clear that COVID-19, labor shortages, climate change, trade policies and food safety concerns will conspire to force a major restructuring of the produce industry. We believe that the companies most likely to adapt successfully will be those that best engage their workforce during the transition. EFI is positioned as the go-to industry resource for workforce professionalization and engagement around compliance, continuity of supply and business performance. If we can help align retail procurement with responsible labor practices, EFI will have made important progress toward our goal of transforming the produce industry and the lives of farmworkers.

We still face challenges as we work to scale and finance the EFI Program while maintaining its integrity. But on our fifth anniversary, with a talented staff and a committed multi-stakeholder board, I am confident that we are on the right track to achieving the impact we seek.

Thank you for all you have done to help us to this point. We hope for your continued partnership over the next five years.

Sincerely,



Peter O'Driscoll
Executive Director





RESPONSIBLY GROWN, FARMWORKER ASSURED Across the Supply Chain

As EFI completes its fifth year as an independent nonprofit, we are exploring **What does Responsibly Grown, Farmworker Assured mean across the supply chain?**

In seeking certification, growers commit to building a work culture aligned with EFI's Responsibly Grown, Farmworker Assured values. This commitment includes embracing a philosophy of continuous improvement and incorporating worker voice and agency into their operations in order to meet the 335 rigorous standards of the EFI Program.

The certification allows growers to verify the good work that they were already doing and improve their processes and systems through collaborative problem-solving. EFI requires an initial investment in training and time, but third-party evaluation studies show that EFI-certified growers benefit from more integrated management systems and improved organizational performance.



GROWERS:
Driving Innovation
and Improved
Performance

“

“Responsibly Grown, Farmworker Assured, to us, means taking care of our people, our products and producing the best in the industry. We believe that investing in our employees helps them evolve in their personal growth and allows us to evolve as a company. We have always been known for innovation and being EFI-certified keeps us at the forefront of social accountability standards.”

Nicole Minnich-Zapata
Marketing Director, Misionero



RESPONSIBLY GROWN, FARMWORKER ASSURED

Across the Supply Chain

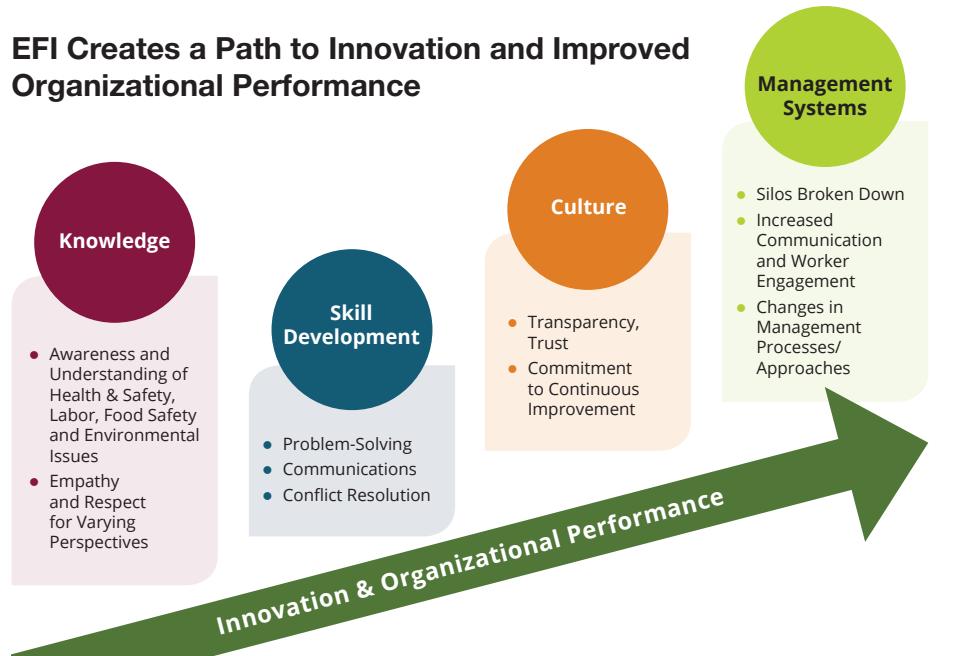
Innovation and Improved Performance for Growers

Third-party evaluation studies have found that growers get the dual benefit of driving compliance and business performance through the EFI Program.



Read more at equitablefood.org/impact.

EFI Creates a Path to Innovation and Improved Organizational Performance



“Being EFI-certified is a point of great pride and distinction. As a grower, it helps elevate the values that you have and are working to instill in your workforce, and it helps ensure that you are at levels of best practices across many areas of the operation.”

Vic Smith, CEO, JV Smith Companies



“Being Responsibly Grown, Farmworker Assured means that we are taking the time and the commitment to train our workers on food safety policies, their own hygiene and cleanliness and personal safety. We take great steps to ensure our workers know everything they need to deliver a safe and quality product to the consumer.”

Jackie Vazquez, Operations Director, Andrew & Williamson Fresh Produce/GoodFarms





The EFI Program helps improve working conditions by providing the skills and opportunities for workers to voice their concerns and ideas. Increased trust and transparency, more effective communication and better interpersonal relationships create a more collaborative and respectful work environment. As EFI-trained Leadership Teams ensure compliance with EFI Standards, workers benefit from healthier and safer working conditions. The EFI model also enhances protection against discrimination and sexual harassment. Women, members of ethnic groups and older workers report that they receive more respect from co-workers, managers and supervisors, and that they feel safer and better supported by management.

Workers also receive a bonus from participating retailers in recognition of the additional diligence they provide in meeting the EFI Standards. In 2019, nearly \$2 million was paid in bonuses, making a total of nearly \$8 million since the EFI Program was created five years ago. Workers report using their EFI bonus for buying food, shoes and clothing; paying utility bills; providing weekly allowance for children; taking the family out to dinner; and saving for Christmas gifts.



**FARMWORKERS:
Engaged to
Improve Working
Conditions**

“Before EFI, we were afraid to speak our language because we would be discriminated against. Now we have full rights and there is more respect and you have opportunities to talk with your colleagues.”

Juan Perez Ayala, Harvester, Andrew & Williamson Fresh Produce/GoodFarms



“Here they look for ways to resolve problems. At other farms they punished us for speaking up and gave us harder work as a form of retaliation. Workers would get upset and quit. Here it’s not like that. Here they look for solutions.”

Farmworker interviewed by researchers for Berkeley Food Institute



RESPONSIBLY GROWN, FARMWORKER ASSURED

Across the Supply Chain



RETAILERS:
Greater Assurance
for Social
Responsibility and
Food Safety

EFI stakeholders look on as an EFI Leadership Team member shares his perspective on the model with Costco Wholesale CEO Craig Jelinek.



The retail representatives who helped create EFI wanted greater assurance around food safety and working conditions in their supply chains. Their solution was to ensure that workers receive the proper training and tools to be able to mitigate food safety risks and to provide a voice in improving working conditions.

The EFI Program also creates a direct relationship between retailers and farmworkers that hasn't previously existed. Through the EFI Leadership Teams, retail buyers and executives often have direct contact with workers on the front lines of their supply chains. The teams can provide data and perspective directly to the retailers, rather than others speaking for them through the supply chain. In addition, retailers pay workers a bonus for their additional diligence in upholding the EFI Standards.



"I don't want to have a certification that just checks the box; that's not good enough. It's got to have teeth, it's got to be able to be audited. EFI is the gold standard for social responsibility, and we'd like to see everybody doing that."

Jeff Lyons, Senior Vice President of Fresh Foods, Costco Wholesale



As of December 31, 2019, retailers have paid nearly \$8 million in worker bonuses through the EFI Program.



Consumers are demanding greater transparency from the food system, wanting to know more about where their food comes from and how it was produced. The Responsibly Grown, Farmworker Assured label allows shoppers to recognize socially responsible brands, backed by EFI's third-party verification, and to show support through purchases.

Consumer interest groups that are concerned with food safety, working conditions and pesticide use, including Center for Science in the Public Interest, Consumer Federation of America and Pesticide Action Network North America, have helped create EFI and continue to oversee the program's standards.

EFI brings together stakeholders from across the supply chain and helps to align their interests. Consumers are able to send gratitude and praise to farmworkers through EFI's social media channels and share the Responsibly Grown, Farmworker Assured message through photos, posts and social shares.



CONSUMERS: Voting With Their Food Dollars

99% of consumers believe transparency is important in food products.

Response Media, 2017

33% of consumers strongly agree with the statement, "I am confident in the safety of the food that I eat."

The Center for Food Integrity, 2018

“

“There’s no greater potential to have significant positive impacts on the lives of many, many farmworkers than through what EFI offers.”

Margaret Reeves, Senior Scientist,
Pesticide Action Network North
America



34

Certifications Completed



23

Certifications in Progress

Reach & Impact

(as of December 2019)



\$1.9 Million

Paid in Worker Bonuses in 2019

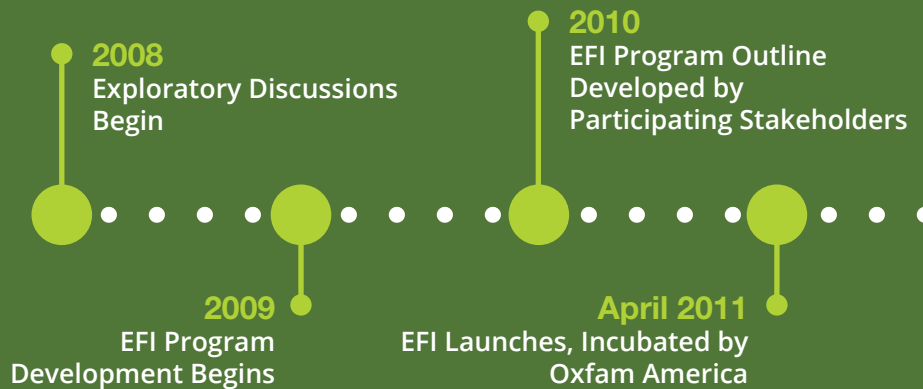


\$7.9 Million

Paid in Worker Bonuses During Lifetime of Program

5 Years

2019 marked EFI's fifth year operating as an independent nonprofit. The following captures milestones from the organization's inception through spring 2020.





35,060

**Workers on Farms
With EFI-Trained
Leadership Teams**



3,261

**Total Individuals
Trained**

Reach & Impact

(as of December 2019)



1,778

**Leadership Team
Members Trained**



4

**Countries With Active Certificates:
Canada, Guatemala, Mexico
and United States**

October 2011

Peter O'Driscoll Chosen to
Lead EFI Program

October 2013

Costco Wholesale Comes on
as EFI's First Retail Partner

March 2015

EFI Awards First
Certification in Mexico

March 2012

EFI Pilot Phase Begins on
Three California Farms

July 2014

EFI Awards First
Certification in California

April 2015

EFI Becomes an
Independent Nonprofit



Sharing the EFI Mission

EFI's 14 staff undertakes a variety of activities to represent the organization and bring the mission to all parts of the supply chain – growers, farmworkers, retailers and consumers – and across the Americas. Here are some of the key events and achievements from 2019.

Overcoming Labor Challenges

The Texas International Produce Association invited staff from EFI and CIERTO to address workforce development, responsible recruitment and how to navigate the H-2A program.

Driving Industry Focus on Responsible Recruitment

EFI released a Responsible Recruitment Scorecard for fresh produce growers to identify vulnerabilities in their foreign recruitment processes.



Internal Trainer Certification Course

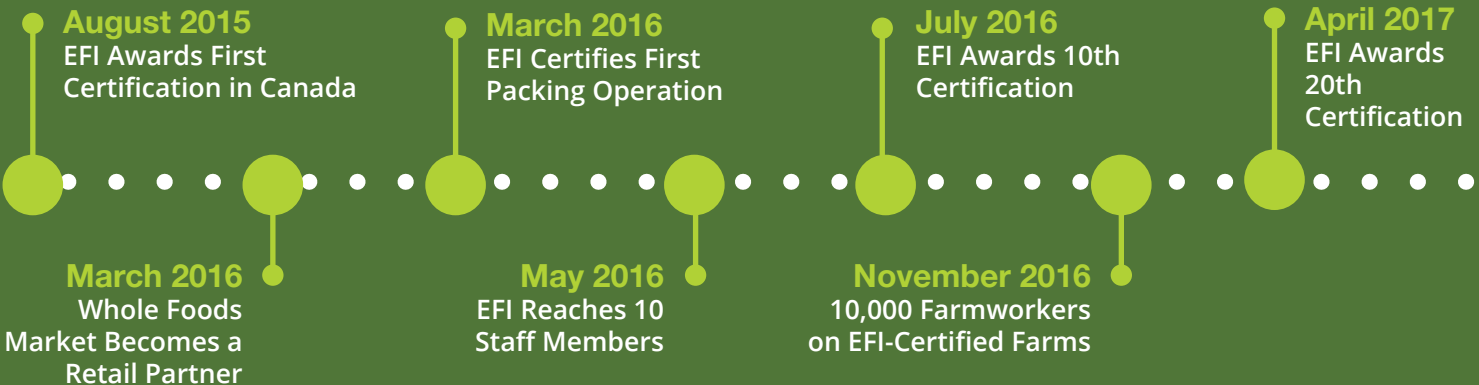
EFI's workforce development team held a course for 14 staff from seven farming operations to advance their knowledge of workforce and organizational development and the EFI Standards. Once certified, participants can lead EFI training initiatives at their growing operations.

Rebecca Chavez, Business Development Manager



New Staff Positions Support Growth

Three full-time staff positions were added to extend EFI's outreach and administrative support to growers: business development manager, workforce development specialist and certification associate.





Training Auditors for Real-World Scenarios

In March, 17 auditors attended a four-day training on the EFI Standards to improve processes for data collection. David Camp, a program lead with Stronger Together, led a session on investigative interviewing skills to help auditors elicit accurate, reliable and actionable information.

2019 HEADLINES

EFI IN THE NEWS

Equitable Food Initiative (EFI) and its partners are making headlines across the fresh produce industry as they implement groundbreaking workforce development programs. Find more at www.equitablefood.org/latest-news.

- AndNowUKnow** produce industry news: Costco Educates Customers on Fresh With EFI Partnership (June 25, 2019)
- PRODUCE Retailer**: Retail Perspective — Costco vice president of fresh foods Jeff Lyons "EFI is the gold standard for social responsibility." (July 23, 2019)
- Blue Book Services**: All Rouge River Farms operations certified by Equitable Food Initiative (September 3, 2019)
- The Packer**: Equitable Food Initiative receives \$1.2 million grant from Walmart (July 22, 2019)
- Walmart**
- Fresh Plaza**: New accreditation and markets ahead for industry organization (May 13, 2019)
- VEGETABLE GROWERS NEWS**: Growers Get Proactive for Worker Relations (April 4, 2019)
- AndNowUKnow** produce industry news: Equitable Food Initiative Partners With

Making Headlines

A total of 94 feature articles about EFI ran in 21 different trade publications.

Inspiring Shoppers

Costco shoppers were encouraged to find the Responsibly Grown, Farmworker Assured label in warehouses and share an image of it on social media using #GrowtheGood.



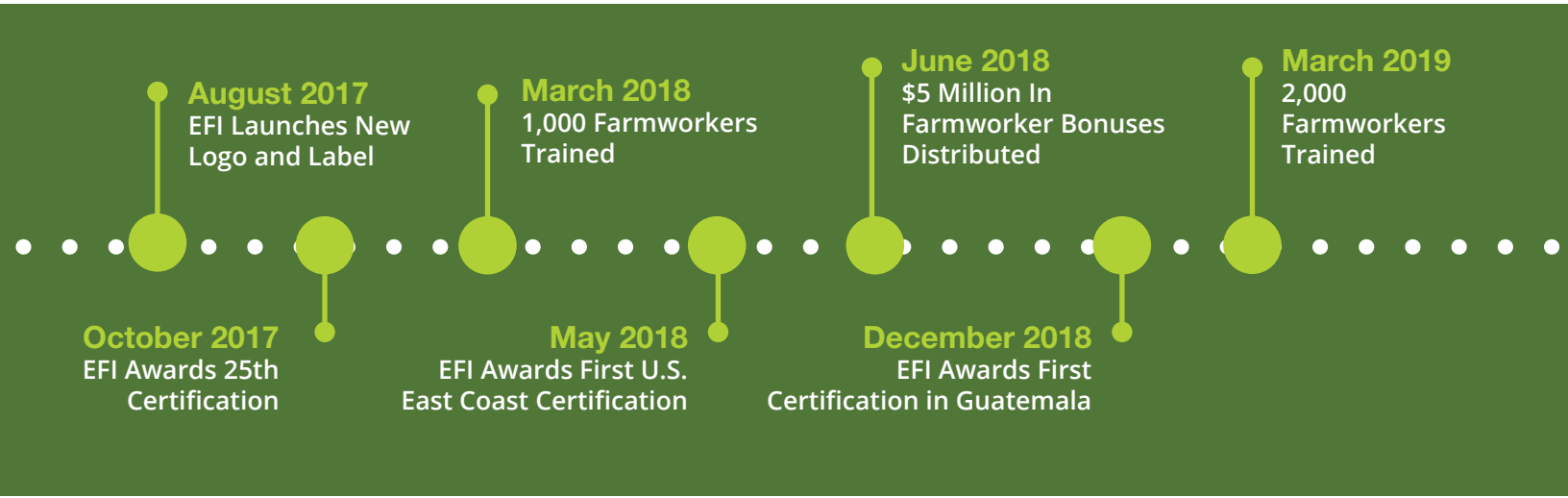
Continuous Improvement of Standards

EFI released updated standards and an Ethical Charter Addendum to align with the Ethical Charter on Responsible Labor Practices and other industry trends.



Making Connections

A prime place to connect with fresh produce industry members is at trade shows, and EFI staff attended six of the industry's most popular events.



Reach & Impact



Dietitians, Bloggers and Squirrels, Oh My!

EFI worked with a series of registered dietitians, bloggers and online influencers to share the importance of buying Responsibly Grown, Farmworker Assured produce. Award for the cutest ambassador goes to Little Thumbelina, a squirrel who loves fruits and vegetables, especially when they are EFI certified.

A Model for Compliance and Business Performance

EFI released the findings from a two-year study undertaken by third-party researcher BSD Consulting. The study was based on 19 farm visits and 476 interviews, and it identified a series of positive impacts of the EFI Program. Read more at equitablefood.org/impact.



Awarded for Innovation

EFI and Andrew & Williamson Fresh Produce were selected for the Viva Fresh Gateway to Innovation Showcase for their development of Process Improvement Teams at GoodFarms locations in California and Mexico.

Online Grower Resources

Growers can now access a range of resources for implementing and promoting the EFI Program through a portal available at equitablefood.org/growers.

July 2019

30,000 Farmworkers on EFI-Certified Farms

September 2019

EFI Awards 30th Certification

April 2020

EFI Celebrates Five Years as an Independent Nonprofit

August 2019

3,000 Farmworkers Trained

September 2019

\$7.5 Million In Farmworker Bonuses Distributed

May 2020

EFI Awards 40th Certification

Partners Advancing the EFI Mission



While EFI partners and certified operations work hard each day to improve the lives of farmworkers, these 2019 initiatives deserve special note.

Image Courtesy of And Now U Know

Costco Wholesale

In July 2019, EFI partnered with Costco on a social media campaign to bring the Responsibly Grown, Farmworker Assured message to consumers. More than 700,000 people were reached via social media and 29 million more through traditional media channels.



Walmart Foundation

EFI received a \$1.2 million grant from the Walmart Foundation to advance responsible labor practices through workforce development programs on fresh produce farms in Mexico.



Andrew & Williamson Fresh Produce/ GoodFarms

During 2019, three more GoodFarms locations received EFI certification, bringing the company's total to 12 EFI-certified operations. In addition, GoodFarms received the 2019 Communitas Award in recognition of its focus on benefiting its employees, communities and the environment.

NatureSweet Tomatoes

Three new NatureSweet Tomatoes greenhouses received EFI certification in 2019. NatureSweet, which holds a seat on the EFI board of directors, has been committed to the EFI Program since 2012 and ended 2019 with a total of nine certified greenhouses.



Rouge River Farms

After becoming the first EFI-certified location on the East Coast and the first sweet corn operation, Rouge River cemented its leadership position in responsible labor practices by receiving certification for all three of its U.S. facilities.



2019 Financial Report

Statement of Financial Position

Year Ended December 31, 2019

	2019	2018
ASSETS		
Cash and cash equivalents	\$ 759,441	\$ 295,679
Grants and accounts receivable, net	632,661	1,047,853
Prepaid expenses	10,311	20,427
Deposits	10,141	6,625
TOTAL ASSETS	\$ 1,412,554	\$ 1,370,584
LIABILITIES AND NET ASSETS		
Liabilities		
Accounts payable and accrued expenses	\$ 198,058	\$ 149,137
Deferred revenue	25,000	12,500
Total Liabilities	223,058	161,637
NET ASSETS		
Without donor restriction	(177,562)	(84,728)
With donor restriction	1,367,058	1,293,675
Total Net Assets	1,189,496	1,208,947
TOTAL LIABILITIES AND NET ASSETS	\$ 1,412,554	\$ 1,370,584

Statement of Activities

Year Ended December 31, 2019

Revenue	Without Donor Restriction	With Donor Restriction	2019 Total	2018 Total
Contributions and grants	\$ 224,810	\$ 1,685,000	\$ 1,909,810	\$ 632,485
In-kind contributions	56,876	-	56,876	61,760
Program income	728,621	-	728,621	463,176
Other Income	15,645	-	15,645	1,273
Net assets released from restrictions	1,611,617	(1,611,617)	-	-
Total Revenue and Support	<u>2,637,568</u>	<u>73,383</u>	<u>2,710,951</u>	<u>1,158,694</u>
 Expenses				
Program Service	1,826,935		1,826,935	1,430,110
Management and General	789,848		789,848	568,839
Fundraising	113,619		113,619	159,566
Total Expenses	<u>2,730,402</u>	<u>-</u>	<u>2,730,402</u>	<u>2,158,515</u>
Change in Net Assets	(92,834)	73,383	(19,450)	(999,821)
Net Assets, Beginning of Year Restated	<u>(84,728)</u>	<u>1,293,675</u>	<u>1,208,947</u>	<u>2,208,768</u>
Net Assets, End of Year	<u>\$ (177,562)</u>	<u>\$ 1,367,058</u>	<u>\$ 1,189,497</u>	<u>\$ 1,208,947</u>



Our Donors

The following organizations have provided financial and in-kind support to EFI since its launch as an independent nonprofit in 2015:

The Atlantic Philanthropies (2012–17)

Broad Reach Fund (2012–present)

The California Wellness Foundation
(2013–15, 2018)

Cedar Tree Foundation (2015–17)

Costco Wholesale (2018–present)

Food System 6 (2016)

Humanity United (2019–present)

The James Irvine Foundation (2019–present)

MacArthur Foundation (2012–17)

Northwest Area Foundation (2018–present)

Oxfam America (2008–18)

Rosenberg Foundation (2011–15)

Silicon Valley Community Foundation
(2018–present)

The Walt Disney Company's Supply Chain Investment Program (2015–17)

Wilson Sonsini Goodrich & Rosati (2013–present)



Staff

Lilian Autler

Senior Facilitator, Workforce Development

Kevin Boyle

Director, Business & New Product Development

Rebecca Castrejón

Digital & Communications Associate

Rebecca Chavez

Business Development Manager

Alexandra DeGrandchamp

Senior Impact & Information Management Officer

Kenton Harmer

Director, Certification & Impact

Star Huff

Operations Manager

Alice Linsmeier

Senior Facilitator, Workforce Development

Candace Mickens

Operations Director

Diona Monroe

Certification Associate

Peter O'Driscoll

Executive Director

Ana (Lulu) Rivera Collazo

Workforce Development Specialist

LeAnne Ruzzamenti

Director, Marketing Communications

Gretta Siebentritt

Director, Workforce Development



**2019
Leadership**

Board of Directors

Ernie Farley, Chair

Partner, Andrew & Williamson Fresh Produce

Carol Schrader, Vice-Chair

Independent Consultant

Preston Witt, Secretary

Director, Supplier Code of Conduct Compliance, Costco Wholesale Corporation

Bruce Goldstein, Treasurer

President, Farmworker Justice

Kathryn Ault

Vice President, Customer Solutions, NatureSweet Tomatoes

Michael Conroy

Independent Consultant

Maisie Ganzler

Chief Strategy and Brand Officer, Bon Appétit Management Company

Thomas Gremillion

Director of Food Policy, Consumer Federation of America

Martin Guerena

Sustainable Agriculture Specialist, National Center for Appropriate Technology

Erik Nicholson

National Vice President, United Farm Workers

Ramón Ramírez

President and Co-Founder, Pineros y Campesinos Unidos del Noroeste

Margaret Reeves

Senior Scientist, Pesticide Action Network North America

Minor Sinclair

Director, U.S. Regional Office, Oxfam America

Victor Smith

Chief Executive Officer, JV Smith Companies

Sarah Sorscher

Deputy Director of Regulatory Affairs, Center for Science in the Public Interest

Baldemar Velasquez

President and Founder, Farm Labor Organizing Committee



1875 Connecticut Avenue NW, 10th Floor,
Washington, DC 20009

202.730.6672

www.equitablefood.org