Better Working Conditions and Customer Assurance

Supporting Continuous Improvement of Labor Practices Throughout the Produce Supply Chain



INSIDE

- 3 From the Executive Director
- 5 Launching the Ethical Charter Implementation Program
- 8 Custom Audit Approach Reduces Audit Burden for Growers
- **10** Professionalizing the Agricultural Workforce
- **12** News & Notes
- 16 2023 Financial Report
- **18** Our Supporters
- **19** Leadership



About EFI

Equitable Food Initiative (EFI) is a capacity-building and certification nonprofit that works to improve the lives of farmworkers and drive business performance by integrating worker voice and engagement throughout the supply chain. As a multistakeholder organization, EFI brings together growers, farmworkers, retailers and consumers to create assessment, training and organizational development programs that support continuous improvement and address the industry's most pressing problems. Its unparalleled certification program sets standards for labor practices, food safety and pest management while engaging workers at all levels on the farm to produce 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.

For more information about EFI, visit equitablefood.org.

In 2024, EFI will celebrate the 10th anniversary of our first farm certification.

Dear Friends,

Fifteen years ago, a group of "strange bedfellow" stakeholders from across the produce industry, representing retailers, growers, unions and advocacy groups, began meeting to discuss whether they could accomplish more to improve working conditions in agriculture through collaboration than through the frequent conflicts of prior decades. Their differences in perspective were obvious, and meetings certainly did not end with choruses of "Kumbaya!" Nonetheless, as experienced leaders with clear organizational interests, they were willing to explore the few areas where those interests actually aligned. Everyone benefits from a stable and professional farm workforce, safer produce and sustainable stewardship of the land.

The ability of those founders to build consensus around rigorous standards and a labor-management collaboration model led to the launch of a program that has touched the lives of tens of thousands of farmworkers and changed the way the industry sees the role of farm labor. In 2024, EFI will celebrate the 10th anniversary of our first farm certification. Over the years we've adapted and refined our standards and training program based on what we've learned from workers, employers, buyers and consumers. Recognizing that many produce growers already have rigorous food safety certifications, EFI agreed in 2023 to accept some of those certificates and customize our approach to reduce the cost of audits to those growers and thereby reach more farms. But we've also learned that even an expanding certification program that sets a high bar will only ever reach the best employers, which begs the question: What about working conditions for the rest of the workforce?

In EFI's last annual report, we described efforts to increase our impact by working with a larger group of industry stakeholders to support implementation of the produce industry's 2018 Ethical Charter on

From the **Executive Director**

FROM THE EXECUTIVE DIRECTOR

Continued

Responsible Labor Practices. EFI was one of only a handful of organizations that recognized the Charter's potential. As soon as it was published, we began to work with stakeholders to pilot ways to make it impactful. In November 2023, we launched the Ethical Charter Implementation Program (ECIP), which is growing dramatically and is actively promoted by the largest retailers. Meanwhile, EFI's vision for professionalizing the farm labor force is also gaining strength through a program in California to formally document, assess and credential agricultural skills, establishing career pathways to better jobs. These developments encouraged EFI to take a long, hard look in 2023 at how we should prioritize the strategies we employ to deliver on our mission to improve the lives of farmworkers and transform the produce industry.

ECIP has the potential to touch every farm in the world that sells produce into the North American market. Because the Ethical Charter is an industry commitment, its principles of responsible labor practices transcend state and national borders, as well as legal and regulatory jurisdictions, offering a common vision for decent working conditions for all farmworkers. As ECIP expands to hundreds of companies and thousands of farms, EFI and our stakeholder advisory committee can strengthen the functionality of our LAB (learn, assess, benchmark) software platform to include resources and assessment opportunities for farmworkers, and to reach the farm labor contractors and recruiters who employ hundreds of thousands more workers.

If we can meaningfully establish the Ethical Charter as an industry "floor" on working conditions and support employers on a continuous improvement journey to raise their labor practices above that floor by providing tools, seminars, online courses and other resources from a marketplace of credible providers, then ECIP will constitute a significant step toward fulfilling EFI's mission.

EFI's board and staff therefore decided that the expansion of ECIP should replace certification as our top organizational priority. As ECIP introduces more growers to the value of strengthening their workplace culture as a recruitment and retention strategy in a tight labor market, we hope it will drive more traffic toward EFI certification. As an annual subscription program, ECIP also generates a sustainable revenue stream from suppliers and growers, which helps fund EFI's work. ECIP is now poised to drive transformational improvements in labor practices across the entire produce industry.

In 2025, EFI will celebrate our 10th anniversary as an independent organization. Those early years of stakeholder consultation and alignment of interests were incubated within Oxfam America, which provided institutional support and credibility for program development. All those who negotiated EFI's spinoff from Oxfam in 2015 knew that we would face many types of industry and financial risks as a fledgling nonprofit. But the early success of our certification program laid the groundwork for the vision we now pursue, accompanying employers across the entire produce industry in a continuous improvement journey to develop more responsible labor practices, a stable and professional agricultural workforce and career pathways to better jobs and wages for the hardworking farmworkers on whom the industry depends.

On behalf of our dedicated board and talented staff, I want to thank all of EFI's donors for your support in 2023. I invite you to continue to partner with us as we work toward fulfillment of our vision!

Gratefully,

US Minstl

Peter O'Driscoll, Executive Director



ECIP aims to:

- Create industrywide alignment with the principles of the Ethical Charter.
- Enable farms with strong labor practices to demonstrate their leadership.
- Provide capacity-building tools for continuous improvement.



ECIP is not an audit or compliance system. Its goal is to support employers to strengthen the management systems that uphold the principles of the industry's Ethical Charter on Responsible Labor Practices. This uniform capacity-building approach will facilitate grower engagement while improving working conditions.

MULTISTAKEHOLDER PARTICIPATION

Launched with initial funding from the Walmart Foundation, ECIP is led by EFI and overseen by an advisory group of leading retailers and suppliers. Multistakeholder participation has made ECIP realistic, relevant and impactful, while EFI's facilitation fosters collaboration and helps define shared interests. The advisory group includes:

- AgSocio
- Costco Wholesale
- Kroger
- McDonald's USA
- Naturipe



Launching the **Ethical Charter** Implementation Program

resh produce industry stakeholders jointly launched the Ethical Charter Implementation Program (ECIP) in fall 2023, extending tools and resources for labor protection to field level for the first time. Retailers, fresh produce suppliers, and other key groups designed ECIP, a program coordinated by EFI, to both recognize and strengthen employer labor practices.

- Bonduelle Fresh Americas
- Sam's Club
- Target
- Tanimura and Antle
- Taylor Farms
- Walmart



ECIP LAB

Developed by EFI, the online software platform ECIP LAB (Learn, Assess, Benchmark) is the main component of the program and offers three channels for employer engagement. In the learn channel, growers explore the management systems required to implement each principle of the Ethical Charter on Responsible Labor Practices. In the assess channel, growers rate their own management systems, understanding that they can answer honestly because their specific responses are not visible to their customers. Lastly, the benchmark channel allows growers to track progress over time as they prioritize and address opportunities to strengthen their systems. ECIP measures an employer's willingness to engage and improve labor practices, rather than testing compliance with a standard. Its goal is to teach employers how to "do the right thing" rather than catch them "doing the wrong thing." In 2024, ECIP LAB will be further developed to offer suppliers and retailers a view into the engagement of growers in their supply chains, and to engage workers in the assessment process.

"The Ethical Charter and this implementation program reflect the power of industry collaboration to advance meaningful changes for people and our planet."

Denise Osterhues, Senior Director of Sustainability & Social Impact for Kroger

Ten Years in the Making AN ECIP TIMELINE

2014

Los Angeles Times publishes "Product of Mexico," exposing widespread labor issues at the industry's Mexican export farms.

2015

Two fresh produce trade associations form a Joint Committee on Responsible Labor Practices.

2018

The joint committee releases the <u>Ethical Charter</u> <u>on Responsible Labor</u> <u>Practices</u>.

2019-2021

Industry leaders come together to form ECIP, agreeing to focus on capacity-building rather than compliance audits; a pilot is launched to test program scope and interventions.

2022

Walmart Foundation grants \$2 million to launch and scale ECIP.

2023

ECIP is launched to the industry; the first cohort of suppliers is invited into ECIP LAB.



ECIP MARKETPLACE

In partnership with The Sustainability Consortium, EFI also launched the ECIP Marketplace in fall 2023, connecting growers and suppliers with expert service providers who offer support in addressing key challenges identified during ECIP LAB self-assessments. Given ECIP's commitment to continuous improvement and capacity-building to strengthen management systems, the marketplace is a critical component of the program to ensure that additional resources are available when growers and suppliers identify specific challenges beyond the scope of the resources on the LAB platform. In 2024, the marketplace will expand as aggregated data from the platform identifies those aspects of industrywide labor practices that are most in need of attention.

ECIP LAYS GROUNDWORK FOR GROWTH OF EFI

Working with the fresh produce industry to launch ECIP and the LAB platform is a critical part of EFI's current five-year strategy. The program generates more diverse revenue streams and offers a path of continuous improvement for farming operations that are not yet ready for EFI certification. ECIP creates continuous engagement and improvement for all fresh produce and floral operations across the industry. Through the ECIP Marketplace, EFI and other credible service providers are given a prominent platform to promote the tools and resources they develop to help suppliers and growers strengthen their labor practices. In 2024, EFI will host a series of online seminars and workshops to help growers build their capacity to meet labor and sustainability challenges. Online training will help share EFI's model of worker engagement, participation and agency; collaborative teams; continuous improvement; and upskilling.

"At Walmart, we are excited about the potential of this program to scale across the produce value chain without adding additional audits. What we like about ECIP is that it focuses on continuous improvement while offering many tools and resources for growers to assess their management structures, benchmark their progress and continue to improve over time."

Laura Himes, Vice President of Sourcing – Fresh for Walmart







"This certification marks a monumental accomplishment. I am really proud of the good work that we've done, and the EFI certification process not only verifies those efforts, but it helps us and pushes us to be even better.

We know that with an aging agricultural workforce and labor shortages it will become increasingly difficult to find dedicated team members for field and packing operations roles. Our investment in the EFI certification process has helped us create space for employees to share ideas and voice their concerns and that has led to greater trust and communication. Support flows from all areas of the operation, and the positive difference that makes for workers will also help us attract and retain employees."

Bianca Kaprielian, Founder and CEO of Fruit World

Custom Audit Approach Reduces Audit Burden for Growers

Growers who already hold a **GFSI-benchmarked** certificate from another program will be able to use that instead of going through an EFI food safety audit.



eyond creating safer, healthier workplaces, a main goal of EFI's certification program has always been to reduce the burden on growers by covering three sets of standards - labor practices, food safety and integrated pest management – in a single audit. EFI was delighted to earn recognition from the Global Food Safety Initiative (GFSI) in 2022, allowing growers to eliminate duplicative food safety audits. But within a year of achieving GFSI recognition, it became evident that some EFI-certified operations preferred or sometimes were required to conduct additional food safety audits, creating redundant costs and processes. During 2023, EFI therefore consulted with certified operations and decided to roll out a custom audit approach in early 2024.

A one-stop audit for the three sets of standards will still be an option for those who choose it, but growers who already hold a GFSI-benchmarked certificate from another program will be able to use that instead of going through an EFI food safety audit. The goal is to offer audit options that help growers meet their retail customer requirements in the most cost-effective and efficient manner. In addition, EFI will offer an optional addendum that helps growers demonstrate their alignment with the Food Safety Modernization Act's Produce Safety Rule, further eliminating the need for additional audits. The core differentiator of EFI certification, the training of a worker-manager collaborative team, remains a key requirement of the program, regardless of the audit approach chosen.



Professionalizing the Agricultural Workforce

nlike in other professions, there is no standardized framework for the documentation, training, assessment and credentialing of agricultural skills. EFI is leading an effort in California to document and categorize these skills into three tiers, bringing partners and stakeholders together to formalize a skill library that can be applied to training, assessment and credentialing programs for farmworkers.

Emerging trends in agriculture have created an opportunity to invest in a professionalized workforce. The ongoing labor shortage, coupled with a surge of investment in agricultural technology, has created a unique alignment where all stakeholders recognize the need for upskilling agricultural workers. Extensive stakeholder interviews conducted over the past several years confirm that investments in networking, piloting and standardizing agricultural skills will be vital for developing new career paths for farmworkers in the coming years and helping the produce industry to sustain growth with fewer workers.

To develop the Tier I and Tier II skill library, EFI conducted 130 interviews and focus groups with farmworkers and managers on five California farms, as well as with one labor contractor. EFI staff worked with teams from Jobs for the Future and the University of Massachusetts to document skills for integration into the Department of Labor's O*NET database, the official repository of occupational characteristics and worker requirement information

Defining Agricultural Skills to Create Credentialing **Programs and Career Ladders for Farmworkers**

Tier I – Foundational competencies. Communication, collaboration and problemsolving. Incorporated into EFI's certification program training and model.

Tier II – Commodityspecific skills. Planting, care, harvesting and packing of specific crops.

Tier III – Technical skills. Mechanization, automation and digital tools.





across the U.S. economy. The emerging skill library will also be used to convene a stakeholder coalition of worker organizations, agricultural employers, training providers, community colleges and representatives from state agencies to create a formal agricultural skill credentialing protocol across California.

more efficient alternatives.

Given EFI's experience in training and developing Tier I skills through the certification program, a needs assessment was conducted with workers, employers and EFI worker-

EFI completed a work process redesign training at two California farms to develop the skills workers and managers need to analyze their production systems, identify obstacles and barriers and propose

Workers often have great ideas for improving work processes, but they are rarely engaged in process improvement discussions. On one of the pilot operations, the workermanager design team interviewed over 300 workers to gather insight and offer recommendations that were broadly accepted by management. This was just one more indicator of the business value of upskilling farmworkers and engaging their voice and agency.

manager teams. The goal was to better understand training needs to further develop Tier I skills and offer skill-building opportunities. Starting with a supervisor training held in November 2022, EFI is readying to offer a worker health and safety course to leadership teams on certified farms in early 2024. EFI will continue to assess needs and outcomes as it launches additional online training and course opportunities.

The work to create a standardized framework and skill library in agriculture is fraught with challenges. The field is diverse, farm work is seasonal, turnover is high, training time and employer investment is limited, materials need to be language- and cultureappropriate, and the ultimate outcome needs to create wage growth and advancement opportunities. Recognizing these challenges, EFI firmly believes that investing in a system that fosters clear advancement and growth will be the most sustainable benefit for farmworkers in the long run. EFI is uniquely positioned to play a key role as a convener, ensuring that workers' voices are actively included at all stages of credential development and implementation.

News & Notes





ECIP Launch Events Held at Annual Industry Show

The Ethical Charter Implementation Program was the subject of two events during the International Fresh Produce Association's Global Produce and Floral Show in October 2023. EFI staff and members of ECIP's Advisory Group shared the context and expectations of the program along with a demo of the ECIP LAB platform one week before its official launch.



EFI Launches Farmworker of the Year Award in Partnership With Industry **Trade Publication**

In partnership with The Packer, EFI launched the first-ever Farmworker of the Year Award in summer 2023, calling for nominations of farmworkers who demonstrate the Grow the Good values of commitment, continuous learning and support of their community and colleagues. Nominees were highlighted through articles, podcasts and social media content throughout the year. The winner will be announced in June at the 2024 West Coast Produce Expo.



EFI Presents to California Food and Agriculture Board

In November 2023, EFI was invited to present to Karen Ross, Secretary of California Department of Food and Agriculture, and a 15-member advisory board that serves the state's agricultural community. EFI's team presented its work to build skill ladders and a formalized credentialing program for farmworkers.

AgSocio Announced as **First Farm Labor Contractor to Receive EFI** Certification

After a multiyear development and pilot program, Californiabased service provider AgSocio earned the first EFI certification for labor contractors. Through a program modeled after EFI's certification program for farming operations, AgSocio formed, trained and maintained a functional worker-management team and worked to strengthen its management systems as defined by EFI's Farm Labor Contractor standards. EFI's program is the first-ever offered for contractors to demonstrate their commitment to responsible labor practices throughout the recruitment, contracting and deployment of their workforce.

Award



Raising Awareness on Sun and Heat **Exposure**

heat stress.

Farmworker Awareness Week Expands and Wins a 2023 Marketing Excellence

Each year, EFI provides a toolkit of communication resources and calls on the produce industry to recognize Farmworker Awareness Week by sharing stories of workers that illustrate the skilled and hard labor

> they perform. Nationwide attention was focused on farmworkers with proclamations being made in cities and counties around the country, and from the states of Vermont, Indiana and Nebraska. Many grower-shippers and fruit and vegetable associations spread the word about the importance of the role of farmworkers. For developing this campaign, EFI was awarded a 2023 Marketing Excellence Award from *Produce Business* Magazine.

As 2023 brought the hottest summer on record, EFI worked to raise awareness about the dangers and symptoms of heat and sun exposure. Agricultural workers are some of the most vulnerable due to long



hours worked during the hottest days of the year, and they are at least 35 times more likely to die from heat-related causes than other workers. EFI created tips and shared resources and reminders about worker protections and early indicators of



Two-Year Produce & Reduce Pilot Concludes

EFI partnered with Measure to Improve and three California-based farming operations to pilot a program to demonstrate how worker engagement in the design of waste management practices could help reduce agricultural greenhouse gas emissions. The program was successful in creating a culture of sustainability on the farms and reducing CO2 emissions during the pilot by the equivalent of 1 million miles driven by an average gasoline-powered vehicle.

Day-in-the-Life Video Series Produced by and About Farmworkers Wins Awards

A two-part video series aimed at educating and raising awareness of the realities of being a farmworker premiered and won two Telly Awards in 2023. Through the stories of a single mother and harvester and a married couple working in quality control, the series depicts a typical day for farmworkers on a strawberry farm, highlighting their challenges alongside their personal motivations. The awardwinning videos were conceived and produced by members of EFI's Leadership Team Committee.

A Day in the Life of a Farm Worker



Reach & Impact

(as of 12/31/23)



84 **CERTIFICATIONS** COMPLETED

CERTIFICATIONS IN PROGRESS





50,515 WORKERS ON FARMS WITH EFI-TRAINED **LEADERSHIP TEAMS**

4,592 **TOTAL INDIVIDUALS TRAINED**

2,813 **LEADERSHIP TEAM** MEMBERS TRAINED (LIFETIME)





\$3.7 million PAID IN WORKER **BONUSES IN 2023**

\$21.3 million PAID IN WORKER **BONUSES SINCE 2014**



2023 Financial Report

Statement of Financial Position

Year Ended December 31, 2023

2023 2022 ASSETS Cash and cash equivalents \$ 2,007,787 \$ 1,222,920 Grants and accounts receivable, net 371, 986 537,103 Prepaid expenses 7,397 11,821 Fixed assets (net) 595,467 Deposits 1,700 1,700 **TOTAL ASSETS** 2,199,470 2,558,411 _____ LIABILITIES AND NET ASSETS Liabilities Accounts payable and accrued expenses 481,282 382,186 Deferred revenue 634,183 **Total Liabilities** 1,115,465 382,186 NET ASSETS Without donor restriction 59,374 144,317 With donor restriction 1,024,631 2,031,908 2,176,225 **Total Net Assets** 1.804,005 TOTAL LIABILITIES AND NET ASSETS \$ 2,199,470 \$ 2,558,411 ____ ____

Statement of Activities

Year Ended December 31, 2023

Revenue	Without Donor Restrictions	With Donor Restrictions	2023 Total	2022 Total
Contributions and grants	\$ 456,093	\$ 1,161,800	\$ 1,617,893	\$ 4,149,971
In-kind contributions	136,560	-	136,560	81,201
Program income	879,572	-	879,572	694,188
Other Income	12,976	-	12,976	96
Net assets released from restriction	s 2,169,077	(2,169,077)	-	-
Total Revenue and Support	3,654,278	(1,007,277)	2,647,001	4,925,455
Expenses				
Program service	2,564,010		2,564,101	2,900,529
Management and general	1,161,874		1,161,874	536,308
Fundraising	13,337		13,337	28,957
Total Expenses	3,739,221	-	3,739,221	3,465,794
Change in Net Assets	(84,943)	(1,007,277)	(1,092,220)	1,459,661
Net Assets, Beginning of Year	144,317	2,031,908	2,176,225	716,564
Net Assets, End of Year	\$ 59,374	\$ 1,024,631	\$ 1,084,005	\$ 2,176,225

Revenue	Without Donor Restrictions	With Donor Restrictions	2023 Total	2022 Total
Contributions and grants	\$ 456,093	\$ 1,161,800	\$ 1,617,893	\$ 4,149,971
In-kind contributions	136,560	-	136,560	81,201
Program income	879,572	-	879,572	694,188
Other Income	12,976	-	12,976	96
Net assets released from restriction	ns 2,169,077	(2,169,077)	-	-
Total Revenue and Support	3,654,278	(1,007,277)	2,647,001	4,925,455
Expenses				
Program service	2,564,010		2,564,101	2,900,529
Management and general	1,161,874		1,161,874	536,308
Fundraising	13,337		13,337	28,957
Total Expenses	3,739,221	-	3,739,221	3,465,794
Change in Net Assets	(84,943)	(1,007,277)	(1,092,220)	1,459,661
Net Assets, Beginning of Year	144,317	2,031,908	2,176,225	716,564
Net Assets, End of Year	\$ 59,374	\$ 1,024,631	\$ 1,084,005	\$ 2,176,225

Our **Supporters**





The California Workforce **Development Board**

Costco Wholesale Corporation

The Families and Workers Fund

The James Irvine Foundation

The Kroger Zero Hunger Zero Waste Foundation

McDonalds Corp

The Northwest Area Foundation

The Silicon Valley Community Foundation

Starbucks Corporation

Target Corporation

Walmart Inc.

The Walmart Foundation

Wilson Sonsini Goodrich & Rosati

Leadership

2023 BOARD OF DIRECTORS

Ernie Farley, Chair Partner, GoodFarms

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

Carol Schrader, Treasurer Independent Consultant

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

Natalie Camacho Mendoza Board Member, Farmworker Justice

Michael Conroy Independent Consultant

Pete Donlon Vice President, Misionero Vegetables

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

Hana Ivanhoe Advocacy and Campaigns Manager, Oxfam America

Erika Navarrete Vice President, United Farm Workers

Margaret Reeves Senior Scientist, Pesticide Action Network North America

Fernanda Suárez Director, Sustainability and Social Impact, NatureSweet

Baldemar Velasquez President and Founder, Farm Labor Organizing Committee

2023 STAFF

Lilian Autler, Organizational & Workforce Development Manager

Kevin Boyle, Organizational & Workforce Development Director

David Cea, Workforce Development Specialist

Karla Cook, Certification Manager

Manager

Shaleena Capers, Finance Manager

Madelyn Edlin, Marketing & Sales

Elvia Gonzalez, Client Manager

José Guillama, Workforce **Development Specialist**

Kenton Harmer, Market-Based Impact Director

Star Huff, Operations Manager

Alice Linsmeier, Organizational & WFD Manager

Gabriela Lopez-Barry, ECIP Manager

Adriana Martinez, Certification Director

Alexandra Martinez, Marketing & Sales Associate

Candace Mickens, Finance & **Operations Director**

Diona Monroe, Data Manager

Sky Navarro, Certification Program Associate

Peter O'Driscoll, Executive Director

Ana (Lulu) Rivera Collazo, Training Manager

Toni Rosati, Data Architect

LeAnne Ruzzamenti, Marketing & **Communications Director**















200 Massachusetts Avenue, NW, Suite 700, Washington, DC 20001

202.730.6672

equitablefood.org



