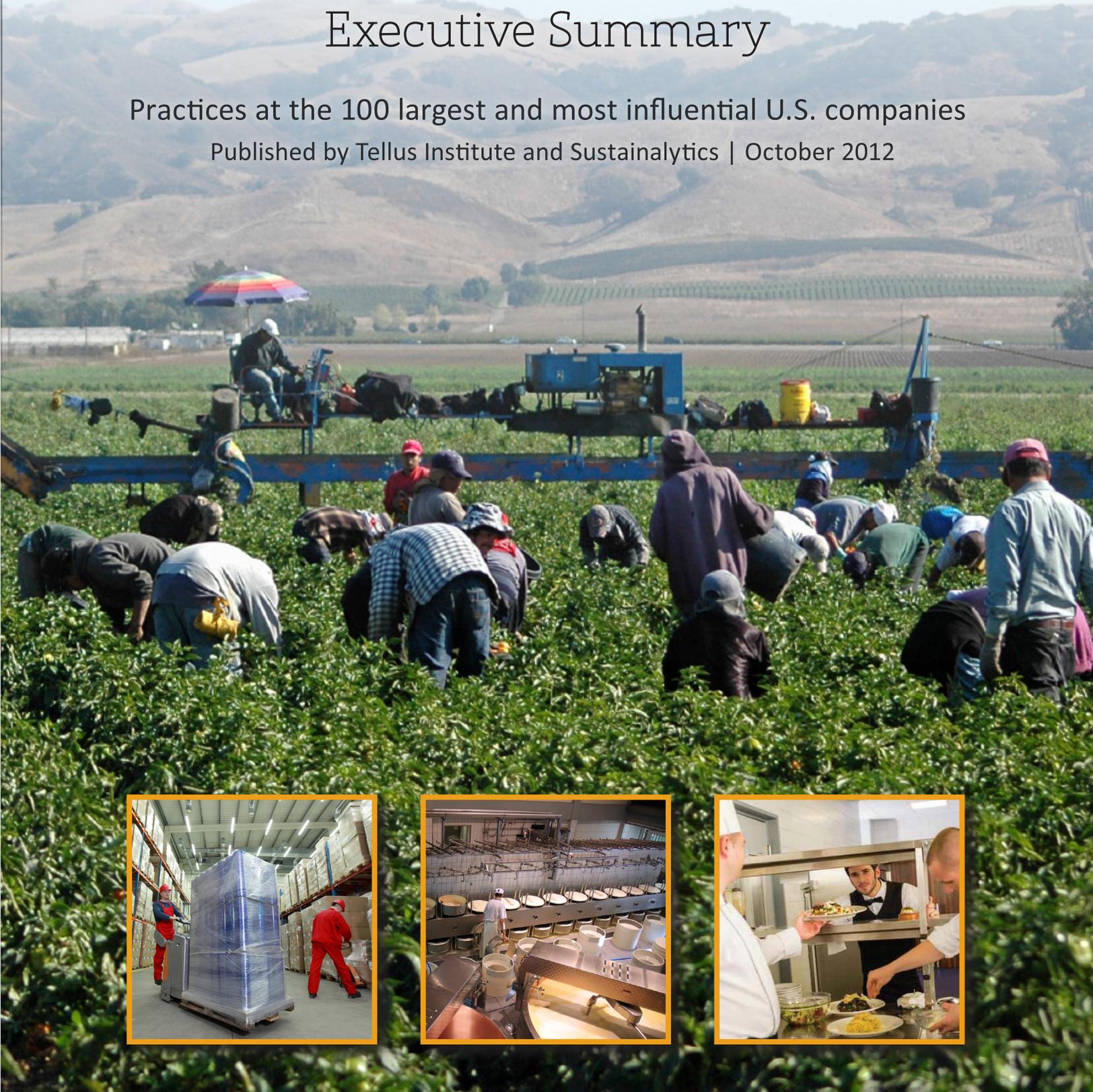




# Worker Equity in Food and Agriculture Executive Summary

Practices at the 100 largest and most influential U.S. companies

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## Publishers

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## Executive Summary

The rise of the global food movement has brought significant innovation in areas such as organic foods, farmers' markets, community agriculture, urban gardens, and Slow Food. Yet the food movement has a blind spot — worker welfare. Despite what may be commonly assumed, food that is sustainable, organic, or locally grown, is often produced under highly inequitable working conditions, locally and globally. There has been an overarching tendency in the food movement to prioritize health concerns, environmental impact, and animal welfare over worker health and well-being. Why are working conditions being ignored? When we pull back the veil on this overlooked issue, what do we find?

An understanding of the social impact of the food and agriculture industry requires insight into *worker equity*, a concept that embraces many issues: fair wages, safe working conditions, the right to organize, job security, professional development opportunities, and employee engagement. Worker equity is about the quality of jobs and the quality of life at work. It represents a critical area of exposure for food and agricultural companies, and is an issue that is sure to escalate in the coming years. Worker equity issues surface across the entire value chain, from farmworkers and factory workers to distributors, retailers, and restaurants. At each stage, worker welfare can be significantly compromised, in areas such as health and safety, wages, working hours, and freedom of association.

Worker equity practices at the largest companies are particularly critical in shaping industry trends, since every subsector of the field — agricultural products, beverages, packaged food, wholesale suppliers, food retail, and restaurants — is dominated by four to five companies. In 2007, four companies sold half the world's seeds; more than 70 percent of beef in the U.S. is processed by three companies; and just four companies process close to 60 percent of pork and chicken.<sup>1</sup>

This report sets out to review the landscape of company practices and policies in worker equity at the 100 largest companies in the food and agriculture industry in the U.S. market. While harmful practices are widespread — and in some ways the industry norm — there are also promising examples of emerging best practices. This report attempts to address both trouble spots and best practices. The latter are highlighted here as precedents that other companies might follow, and as an indication of potential avenues for impact and influence.

While the emphasis of this study is on U.S. companies and employees, the findings have a far-reaching impact at the global level. Because they represent major brands, many of the companies tracked have significant global influence through their products and supply chains. Moreover, the plight of employees and contractors is linked throughout many regions of the world, particularly because, regardless of where food is grown, its distribution is global.

## Understanding the Overall Landscape

The invisible hardship of workers throughout the value chain

“Ironically, food workers face the highest levels of food insecurity in the U.S.”

Food and agriculture is the single largest industry in the world. In the U.S., it represents an economic engine of \$1.8 trillion—more than 13 percent of GDP.<sup>2</sup> Ironically, workers producing and delivering food to consumers face the

highest levels of food insecurity in the U.S. Their wages are well below the national average and they are exposed to various health and safety risks, affecting direct employees and suppliers.

The nature and degree of impact and exposure facing food workers varies considerably at each stage of the value chain, from production and processing to distribution, services, and retail. While each of these sub-industries could be the focus of a stand-alone report on worker equity, this study aims to provide a high level overview of working conditions across the value chain. With growing consumer interest in the origin, quality, and sustainability of food – from field to table – critically overlooked working conditions must be factored into the equation.

Among the 100 largest companies in food and agriculture, the largest segment of companies (one-third) is food processors. The largest number of employees is found within three industry subsectors: food processing, food service/restaurants, and retail markets. While these figures account for direct employees only, when including supply chain and contract workers, farmworkers constitute the base of the global food supply chain.

“There are an estimated 1.4 million crop workers in the U.S. and more than half are estimated to be undocumented.”

For **farmworkers** conditions are difficult in a variety of ways. There are an estimated 1.4 million crop workers in the U.S. and more than half are estimated to be undocumented; since they are in the country illegally, they are unlikely to blow the whistle on bad practices to relevant authorities. “It’s easy to take advantage of people in these conditions,” said Irit

Tamir from Oxfam America, a member of the advisory panel convened for this report. She notes that farmworkers are excluded from most provisions of the Fair Labor Standards Act, lacking the protection of basic labor and safety standards afforded other workers – even though farmworkers toil in often riskier conditions. They generally do not receive overtime payments or unemployment insurance, and their minimum wage is comparatively low.

For **factory workers** employed at food processing and manufacturing plants, health and safety risk are a significant area of exposure. The U.S. Bureau of Labor Statistics estimates that food manufacturing has one of the highest occupational injury and illness incidence rates among all industries, with animal slaughtering plants having the highest incidence rate among all food manufacturing industries. Food processing jobs involve repetitive, physically demanding work, and there is an increased risk of repetitive strain injuries. Working conditions also include standing for long periods and lifting heavy objects or using dangerous tools and machines for cutting, slicing, and grinding.<sup>3</sup> Furthermore, food processing plants often face labor disputes surrounding unionization, wages, and working conditions. Recent studies suggest a potential correlation between poor working conditions at food processing plants and food safety incidents, stemming from low morale, poor safety culture, and chronic fatigue.

Fierce competition among **food retailers** leads companies to constantly seek cost-saving strategies, which often include lower wages for workers, reduced employee benefits, and fewer permanent and full-time positions. As a result, a high percentage of grocery store workers are temporary, seasonal, casual, or disenfranchised workers, who face job insecurity, low pay and overtime hours. Consequently, lawsuits alleging labor violations, such as unpaid overtime, discrimination, and poor working conditions are common in this sector.

“Food servers rely on food stamps at nearly double the rate of the general U.S. population.”

Workers in the **restaurant industry** face still other challenges. Seven of the 10 lowest paid occupations in the U.S. are in restaurants. The federal minimum wage for servers and other tipped workers has remained frozen at a paltry USD \$2.13 per hour for 20 years. The tip credit system, prevalent in the U.S., allows employers to use customers’ tips to pay the

minimum wages. The U.K. — where the minimum wage for workers above 21 years of age is GBP 6.19 per hour (as of October 1, 2012) — chose to abolish the tip credit system in 2009; it now requires that tipped workers be paid the full minimum wage from the company, as opposed to through tips. The February 2012 report *Tipped Over the Edge*, from Restaurant Opportunities Centers (ROC) United, reported that nine out of 10 restaurant workers have no employer-paid sick days or health insurance. Women, who represent the majority of restaurant workers, face five times more harassment than female workers across other industries. ROC United reports that servers rely on food stamps at nearly double the rate of the general U.S. population. “Essentially,” the authors wrote, “many of the workers who serve America its food cannot afford to eat.”<sup>4</sup>

Major companies in food and agriculture, for the most part, do not appear to identify strong worker treatment as a driver of business performance. Driven by the need to grow, process, and sell as much food as possible, as cheaply as possible, companies often treat employee labor as an input into that process, to be purchased as inexpensively as possible. Working conditions of employees – both direct employees and supply chain workers – often remain invisible to company decision-makers. Lamentably, the daily struggles of these workers are off the radar of both employers and consumers.

## Key findings

- **The lack of reporting and transparency on social issues by all companies – particularly private companies – is a core stumbling block to understanding true company practices.** Human resource data (most notably, wages) from individual companies is considered proprietary and is not made public. While many companies in this industry, especially publicly traded ones, publish corporate social responsibility (CSR) reports, social issues such as worker treatment receive significantly less coverage than environmental or governance issues. Moreover, among those reports that do address social issues, the emphasis on working conditions tends to focus on overseas suppliers, often overlooking egregious conditions in the U.S.
- **Despite the public's tendency to focus on high-profile, publicly traded companies, such as Walmart and Costco, private companies and cooperatives have a significant footprint in the food and agriculture sector.** Of the list of 100 largest and most influential food companies in the U.S., 42 are either privately held (including **Cargill**, with \$108 billion in revenue) or are cooperatives (such as **CHS Inc.**, with \$25 billion in revenue, or **Land O'Lakes**, with \$11 billion in revenue). Many of these companies tend to be even less transparent on social and worker issues than their publicly traded peers.
- **Many of the companies assessed have a mixed track record when it comes to worker equity practices, demonstrating inconsistent performance in this area.** Firms tend to excel in one area and lag in another. As such, rather than assigning overall rankings from 1 to 100, this project has ranked companies according to unique areas of preparedness and performance under key thematic headings. **Walmart** is making strides in addressing supply chain exposure, but perpetuates poor working conditions and low wages among its direct employees. **DuPont** publishes a robust CSR report but features minimal emphasis on worker and social issues. **Ahold** has excellent policies on worker equity and is 100 percent unionized in the Netherlands, yet appears to be violating its own standards in the U.S. as it fights unions in some locations.
- **Concentration may well be the most significant factor in understanding food and agriculture companies.** A small handful of firms hold significant control over every subsector in this industry. For example, among beef packers, four firms (**Tyson**, **Cargill**, **Swift**, and **National Beef Packing**) control 84 percent of the market. In flour milling, three firms (**Cargill/CHS**, **ADM**, and **ConAgra**) control 55 percent of the market. Pork, turkey, chicken, and soybean processing have from 55 to 80 percent of their markets controlled by four firms.<sup>5</sup> Similarly, just four companies control at least three-quarters of international grain trade. In the U.S., ten companies alone account for half of food and beverage sales.<sup>6</sup>



- **Exemption from wage and hour laws is a key barrier to worker equity among food and agriculture companies.** The restaurant industry is among the fastest growing sectors of the economy and employs 10 million workers – the majority of whom are women. Yet restaurants offer many of the nation's lowest wage jobs, with few benefits. In 2010, seven of the 10 lowest-paying occupations were in restaurants. A key reason for this trend is that the federal wage for tipped workers is fixed well below the standard minimum wage; in the U.S. it has remained at \$2.13 since 1991. Food servers rely on food stamps at nearly twice the rate of the population overall.<sup>7</sup> Many agricultural workers are also exempt from minimum wage and hour laws, and because much agricultural work is done by illegal immigrants, even fewer protections apply. Across the U.S. food industry, frontline workers earn a median salary of only \$18,900 a year.<sup>8</sup>
- **Whereas a commitment to worker equity must stem from the top, only 18 companies tracked in this study reference a board or management-level committee tasked with social oversight.** An example is the French firm **Danone**, which has a social responsibility committee at the board level overseeing the company's CSR strategy. Even among these 18 leaders, most offer limited disclosure on the focus and composition of their social committees. The majority of companies provide no evidence of a formal accountability framework to address social impacts.
  - **Few companies received top scores for key employee-related policies, and where these policies exist they are often ineffectively implemented.** Approximately one in five companies tracked has exemplary policies on freedom of association and the elimination of discrimination. However, even where such policies exist, they are often poorly enforced and in some cases blatantly violated. For example, in 2011 **Ahold** was alleged to have denied the right of unionization to the employees of its 25 Martin brand stores in Richmond, Virginia, despite having strong group policies against such practices.
  - **At least one-third of companies assessed have some degree of union representation, which positively impacts wages.** At least three companies have extremely high union density, with 75 percent or more of their workforce covered by collective bargaining: **Danone**, **Safeway**, and **Kroger**. The grocery industry in general is about one-third organized. Unions make a difference in wages: a unionized cashier makes \$13/hour, while a non-union cashier makes \$9.25, representing a 40 percent premium. In poultry, fish, and meat processing, the difference is \$16.50/hour vs. \$12/hour.
- **Wages vary by subsector, with restaurant workers earning the lowest amount.** In the production of food, with employers such as **Cargill** and **Land O'Lakes**, the median hourly wage is \$10.10. In the processing of food – including companies like **Perdue** and **Kraft**, the median hourly wage is \$13.06. Warehousing and distribution pays a median hourly wage of \$13.28. The retail sector, with firms like **Kroger** and **BJs**, pays a relatively low median hourly wage of \$9.69. Finally, restaurants and food service providers, which include companies such as **Starbucks** and **Darden Restaurants**, pay the lowest median hourly wage of \$9.11 (including tips).

- **Compensation for food industry CEOs offers a stark contrast to the pay of average workers.** The highest paid CEOs receive a total compensation package of between 475 times and 1,023 times that of their typical worker (topped by Steve Ellis at **Chipotle Mexican Grill**.)
- **Some food employers pay frontline workers substantially higher than average wages.** Nine companies on this list made *Fortune* magazine's Best Places to Work list, which is based in part on wages, including **Publix Super Markets, Whole Foods Market, Wegmans Food Markets, and Starbucks**. The highest paying company was **General Mills**, where operators, the most common job for hourly workers, were paid \$52,145. After four years, cashiers at **Costco** can earn \$43,000 a year – more than double the \$18,380 national mean wage for U.S. cashiers overall.
- **Some of the most dangerous jobs in the U.S. are found in the food industry.** Injuries are especially prevalent in warehousing, farm labor, and food processing. While the fatality rate for all industries is 3.5 per 100,000 workers, in agriculture the rate is over 25, and for warehousing and transportation jobs it is 15.<sup>9</sup> Of the companies assessed, three firms had ten or more fatalities in the last three years: **Associated British Foods, Nestlé, and Coca-Cola**.
- **Preliminary findings suggest a direct correlation between worker equity and food safety.** A study by the United Food and Commercial Workers International Union found that employee empowerment through unions helped employees speak up about food safety and resulted in fewer meat recalls in unionized plants compared to non-unionized ones. Among the reasons for this difference are that unionized plants may have lower turnover, have a greater culture of safety, and allow workers to negotiate with management over equipment and staffing.
- **Food and agriculture companies face considerable exposure to labor rights violations among suppliers, many of whom are based in countries lacking basic worker protections.** Of particular concern for the food processing industry are the supply chains of major commodities such as cocoa, soy, sugar, and palm oil. Food retailers have also long been accused of serious labor violations in their supply chains, particularly at factories across Asia.
- **Meanwhile, companies face considerable human rights exposure in their own backyards, refuting the perception that locally grown equates with ethically grown.** Allegations of inequitable working conditions among food companies also occur in developed countries such as the U.S., in part due to subcontracting. For example, **Kraft Foods** has been criticized for outsourcing manufacturing jobs to a company that is reportedly anti-union and has been cited numerous times by the National Labor Relations Board for violations of U.S. laws.
- **Four companies assessed take the lead with strong supply chain policies and programs, all of which are European-based companies.** Despite the minimal inclusion of non-U.S. companies in this study, **Danone, Tesco, Syngenta, and Ahold** surpassed their U.S. peers as clear leaders. This result illustrates that U.S. companies are falling behind their European counterparts, which may be linked in part to greater consumer awareness in Europe about supply chain issues as compared to U.S. consumers.
- **The business case for improved worker equity practices has yet to be fully articulated.** Anecdotal evidence suggests that low-road practices have negative consequences such as low morale, high

turnover, labor disputes, and poor product quality and customer service. But more systematic research is needed. There is a significant opportunity for collaborative research and analysis among responsible investors, academics, the labor movement and companies themselves, to identify material linkages between worker equity and business success. There is also an opportunity to enhance social impact metrics and promote meaningful and consistent social disclosure among companies.

- **By situating worker equity issues alongside public health, animal welfare and environmental concerns, there is an opportunity to position these issues more prominently.** Through stronger messaging, the plight of food workers has the capacity to widely resonate throughout a growing global food movement of conscientious consumers at a time when public attention to food production is at its peak.



**Table 1. 100 Largest and Most Influential Food and Agriculture Companies in the U.S.**

Size Rank	Company	Headquarters	Type	Food Segment	Revenue (Millions)	Employees
1	Walmart Stores, Inc.	Bentonville AR	Public	Food Retail	408,085	2,100,000
2	Nestlé S.A.	Switzerland	Public	Packaged Food	111,969	281,000
3	Cargill, Inc.	Wayzata MN	Private	Agricultural Products; Meat	107,882	131,000
4	Tesco PLC	United Kingdom	Public	Food Retail	86,707	492,000
5	Costco Wholesale Co.	Issaquah WA	Public	Food Retail	77,946	128,000
6	The Kroger Co.	Cincinnati OH	Public	Food Retail	76,733	338,000
7	Archer Daniels Midland Co.	Decatur IL	Public	Agricultural Products	61,682	30,700
8	Unilever plc	United Kingdom	Public	Packaged Food	59,352	167,000
9	PepsiCo, Inc.	Purchase NY	Public	Beverages; Packaged Foods	57,838	294,000
10	Kraft Foods, Inc.	Northfield IL	Public	Packaged Food	49,207	127,000
11	Bunge Limited	White Plains NY	Public	Agricultural Products	45,707	33,021
12	Safeway, Inc.	Pleasanton CA	Public	Food Retail	41,050	180,000
13	SUPERVALU, Inc.	Eden Prairie MN	Public	Food Retail/Supplier	40,597	142,000
14	Koninklijke Ahold N.V.	Netherlands	Public	Food Retail	39,598	122,027
15	Sysco Corp.	Houston TX	Public	Foodservice Supplier	37,243	46,000
16	The Coca-Cola Co.	Atlanta GA	Public	Beverages	35,119	139,600
17	JBS S.A.	Greeley CO	Public	Packaged Meat	33,158	128,036
18	E. I. du Pont de Nemours and Co.	Wilmington DE	Public	Seed, etc.	32,730	60,000
19	McLane Company, Inc.	Temple TX	Private	Wholesale Supplier	32,687	15,000
20	George Weston Limited	Canada	Public	Food Retail	32,182	142,000
21	Mars, Inc.	McLean VA	Private	Packaged Food	30,000	65,000
22	Tyson Foods, Inc.	Springdale AR	Public	Packaged Meat	28,430	115,000
23	Publix Super Markets, Inc.	Lakeland FL	Private	Food Retail	25,328	148,000
24	CHS, Inc.	Saint Paul MN	Co-Op	Agricultural Products	25,268	8,666
25	Compass	United Kingdom	Public	Foodservice Supplier	24,740	471,108
26	McDonald's Co.	Oak Brook IL	Public	Restaurant	24,075	400,000
27	Danone	France	Public	Packaged Food	22,809	100,995
28	C&S Wholesale Grocers, Inc.	Keene NH	Private	Food Retail/Supplier	19,400	15,000
29	Sodexo	France	Public	Foodservice Supplier	19,380	379,137
30	U.S. Foodservice, Inc.	Rosemont IL	Private	Foodservice Supplier	18,862	25,000
31	Associated British Foods plc	United Kingdom	Public	Packaged Food	15,895	102,000
32	General Mills, Inc.	Minneapolis MN	Public	Packaged Food	14,636	35,000
33	ARAMARK Co.	Philadelphia PA	Private	Food Service	12,572	254,000
34	Kellogg Co.	Battle Creek MI	Public	Packaged Food	12,397	30,645
35	Dean Foods Co.	Dallas TX	Public	Dairy	12,123	25,780
36	ConAgra Foods, Inc.	Omaha NE	Public	Packaged Food	12,015	23,200
37	Monsanto Co.	St. Louis MO	Public	Seed, etc.	11,820	26,100
38	Syngenta	Switzerland	Public	Seed, etc.	11,640	26,200
39	Yum! Brands, Inc.	Louisville KY	Public	Restaurant	11,343	215,460
40	Smithfield Foods, Inc.	Smithfield VA	Public	Packaged Meat	11,203	46,350
41	Land O'Lakes, Inc.	Arden Hills MN	Co-Op	Dairy	11,146	9,000
42	Starbucks Co.	Seattle WA	Public	Restaurant	10,707	149,000
43	H. J. Heinz Co.	Pittsburgh PA	Public	Packaged Food	10,495	34,800
44	Performance Food Group Co.	Richmond VA	Private	Foodservice Supplier	10,100	9,800
45	BJ's Wholesale Club, Inc.	Westborough MA	Private	Food Retail	10,051	24,800
46	Dairy Farmers of America, Inc.	Kansas City MO	Co-Op	Dairy	9,800	3,725
47	Wakefern Food Co.	Elizabeth NJ	Co-Op	Wholesale Distribution	9,458	1,304
48	Whole Foods Market, Inc.	Austin TX	Public	Food Retail	9,006	54,850
49	Sara Lee Co.	Downers Grove IL	Public	Packaged Food	8,339	21,000
50	Campbell Soup Co.	Camden NJ	Public	Packaged Food	7,676	17,500
51	Associated Wholesale Grocers	Kansas City KS	Co-Op	Wholesale Distribution	7,252	1,024
52	Hormel Foods Co.	Austin MN	Public	Packaged Meat	7,221	19,400
53	Darden Restaurants, Inc.	Orlando FL	Public	Restaurant	7,113	178,500
54	Dole Food Company, Inc.	Westlake Village CA	Public	Fruits and Vegetables	6,890	74,300

Size Rank	Company	Headquarters	Type	Food Segment	Revenue (Millions)	Employees
55	U.S. Premium Beef, LLC	Kansas City MO	Private	Packaged Meat	6,849	9,100
56	Saputo, Inc.	Canada	Public	Dairy	6,200	10,200
57	GROWMARK, Inc.	Bloomington IL	Co-Op	Seed, etc.	6,132	1,876
58	Wawa, Inc.	Media PA	Private	Food Retail; Dairy	5,890	16,289
59	Hershey Co.	Hershey PA	Public	Packaged Food	5,671	12,400
60	Dr Pepper Snapple Group, Inc.	Plano TX	Public	Beverages	5,636	19,000
61	Giant Eagle, Inc.	Pittsburgh PA	Private	Food Retail	5,290	36,000
62	Wegmans Food Markets, Inc.	Rochester NY	Private	Food Retail	5,150	38,000
63	OSI Group, LLC	Aurora IL	Private	Packaged Meat	5,150	19,100
64	Perdue, Inc.	Salisbury MD	Private	Packaged Meat	4,992	23,068
65	J. M. Smucker Co.	Orrville OH	Public	Packaged Food	4,605	4,500
66	J.R. Simplot Co.	Boise ID	Private	Fruits and Vegetables	4,600	10,000
67	Corn Products International, Inc.	Westchester IL	Public	Agricultural Products	4,367	10,700
68	Ralcorp Holdings, Inc.	St. Louis MO	Public	Packaged Food	4,049	10,800
69	Golden State Foods Corp.	Irvine CA	Private	Food Service; Distribution	4,000	3,000
70	Kangaroo Holding, Inc.	Tampa FL	Private	Restaurant	3,922	116,000
71	Unified Grocers, Inc.	Commerce CA	Co-Op	Wholesale Distribution	3,921	928
72	United Natural Foods, Inc.	Providence RI	Public	Wholesale Supplier	3,757	6,900
73	Fresh Del Monte Produce, Inc.	Coral Gables FL	Public	Fruits and Vegetables	3,550	42,000
74	Wendy's Co.	Dublin OH	Public	Restaurant	3,416	64,100
75	Golub Co.	Schenectady NY	Private	Food Retail	3,370	23,844
76	McCormick & Co., Inc.	Sparks MD	Public	Packaged Food	3,337	7,500
77	Ag Processing, Inc.	Omaha NE	Co-Op	Agricultural Products	3,288	1,187
78	Chiquita Brands International, Inc.	Cincinnati OH	Public	Fruits and Vegetables	3,230	21,000
79	Mead Johnson Nutrition Co.	Glenview IL	Public	Packaged Food	3,142	6,500
80	Brinker International, Inc.	Dallas TX	Public	Restaurant	3,081	45,000
81	California Dairies, Inc.	Visalia CA	Co-Op	Dairy	2,963	678
82	Rich Products Co.	Buffalo NY	Private	Packaged Food	2,900	7,500
83	Hostess Brands, Inc.	Irving TX	Private	Wholesale Supplier	2,798	21,962
84	Burger King Holdings, Inc.	Miami FL	Private	Restaurant	2,502	38,884
85	Pinnacle Foods Finance LLC	Mountain Lakes NJ	Private	Packaged Food	2,437	5,000
86	Foster Poultry Farms	Livingston CA	Private	Packaged Meat	2,200	10,500
87	HP Hood LLC	Lynnfield MA	Private	Dairy	2,200	4,500
88	Jack in the Box, Inc.	San Diego CA	Public	Restaurant	2,190	25,700
89	Darigold, Inc.	Seattle WA	Co-Op	Dairy	2,100	1,240
90	Koch Foods, Inc.	Park Ridge IL	Private	Packaged Meat	2,000	14,000
91	Limagrain	France	Co-Op	Seed, etc.	1,993	7,200
92	The Schwan Food Company	Marshall MN	Private	Packaged Food	1,964	17,000
93	Chipotle Mexican Grill, Inc.	Denver CO	Public	Restaurant	1,836	26,500
94	Bob Evans Farms, Inc.	Columbus OH	Public	Restaurant	1,680	44,819
95	The Cheesecake Factory, Inc.	Calabasas Hills CA	Public	Restaurant	1,660	31,500
96	Ocean Spray Cranberries, Inc.	Lakeville-Middleboro MA	Co-Op	Fruits and Vegetables	1,589	2,000
97	Panera Bread Company	St. Louis MO	Public	Restaurant	1,540	15,900
98	Associated Milk Producers, Inc.	New Ulm MN	Co-Op	Dairy	1,400	1,700
99	American Crystal Sugar Co.	Moorhead MN	Co-Op	Agricultural Products	1,204	1,361
100	Wayne Farms LLC	Oakwood GA	Private	Packaged Meat	1,082	9,200
				<b>TOTAL</b>	<b>2,113,494</b>	<b>9,054,164</b>

**Note:** Rank is by total revenues for FY2010 or FY2011. "Headquarters" column represents city where the U.S. headquarters is located, or designates a nation if headquartered abroad. Revenues are total global company revenues, not only food-related sales.

## Summary of Methodology

The top 100 largest and most influential food and agriculture companies in the U.S. market were selected through a process that considered hundreds of publicly traded, private, and cooperative companies in the U.S. and abroad. All companies considered generated at least one billion USD in revenues. The selection process also considered the number of people employed by each company. Industry segmentation represented another criterion, with the aim of including top companies from each subsector, including agricultural production, food processing, wholesale distribution, food services, and retail. The universe was defined based on company data from fiscal year 2010 or 2011, using the latest available data as of January 2012.

Once the company universe was defined, an advisory panel was convened, including leading experts in the field, to discuss key trends, identify appropriate performance indicators, and brainstorm potential avenues of influence. The advisory panel met in person in Boston for a full-day session, helped shape the report, assisted with fact checking, reviewed drafts, and was available for interviews and queries.

Worker equity management and performance data was obtained from Sustainalytics' global platform for 55 publicly traded companies and two private firms. Sustainalytics is a global research provider with 20 years of experience gathering information on the environmental, social, and governance (ESG) performance of public companies. For these 57 companies, selected indicators of worker and social equity performance were aggregated into four categories: oversight and disclosure; worker equity policies and practices; health and safety; and supply chain worker treatment. Compensation data was collected separately using a number of sources, including *Fortune* magazine, Food Chain Workers Alliance, U.S. Bureau of Labor Statistics, and input from the advisory panelists.

A survey on worker equity practices was sent to all 100 companies, although few companies chose to participate. All publicly traded companies tracked in Sustainalytics' database were sent a copy of their assessment and given a chance to make revisions or updates.

For private and cooperative companies, additional research was conducted focusing on policies and practices on CSR disclosure and management. A scan for controversies and incidents was also run for each company – reaching back three years – through a large database of news sources. Hoover's database was used for basic data on company revenue, industry subsector, lines of business, and number of employees. For more detail on methodology, consult the Appendix.



## Endnotes

<sup>1</sup> Tom Philpott, "Foodies, Get Thee to Occupy Wall Street," *Mother Jones*, Oct. 14, 2011; <http://www.motherjones.com/environment/2011/10/food-industry-monopoly-occupy-wall-street>.

<sup>2</sup> Food Chain Workers Alliance, "The Hands That Feed Us," June 2012.

<sup>3</sup> Frank R. Spellman and Revonna M. Bieber, "Occupational Safety and Health *Simplified* for the Food Manufacturing Industry," *Government Institutes*, 2008.

<sup>4</sup> ROC United, "Tipped Over the Edge," Feb. 13, 2012.

<sup>5</sup> Mary Hendrickson and William Heffernan, Dept. of Rural Sociology, University of Missouri, "Concentration of Agricultural Markets," unpublished paper, April 2007.

<sup>6</sup> Frances Moore Lappe, "The Food Movement: Its Power and Possibilities," *The Nation*, Oct. 3, 2011.

<sup>7</sup> Restaurant Opportunities Centers (ROC) United, "Tipped Over the Edge: Gender Inequity in the Restaurant Industry," Feb. 13, 2012.

<sup>8</sup> Food Chain Workers Alliance, "The Hands That Feed Us: Challenges and Opportunities for Workers Along the Food Chain," June 2012.

<sup>9</sup> Bureau of Labor Statistics, (BLS), "Census of Fatal Occupational Injuries Charts, 1992-2011 (preliminary data)," U.S. Department of Labor, 2012; <http://www.bls.gov/iif/oshwc/foi/cfch0010.pdf>

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