

MONITOR



BRAZIL'S POULTRY INDUSTRY



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In this second edition of **Monitor** – a newsletter that periodically publishes **Repórter Brasil**'s studies on economy sectors and production chains, we look into the billion dollar poultry industry, which grinds the rights of farmers and workers throughout the country

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“Brazil’s poultry industry”

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AN OVERVIEW OF THE INDUSTRY

SUMMARY

1. About four out of every eleven kilograms of poultry exported in the world come from Brazil
2. The economic crisis has helped the industry by encouraging the replacement of more expensive red meat with white meat in Brazilians' diet
3. The poultry production chain creates 3.5 million direct and indirect jobs
4. Two Brazilian multinational companies – JBS and BRF – account for almost 50% of poultry slaughtered in the country and 70% of poultry exports
5. BRF owns Plusfood, which has manufacturing plants in England and the Netherlands; JBS owns UK-based Moy Park and US-based Pilgrim's

In 2015, Brazil overtook China as the world's second largest poultry producer, behind only the United States. Figures provided by the Brazilian Institute of Geography and Statistics (*Instituto Brasileiro de Geografia e Estatística*, IBGE) indicate that Brazilian production reached 13.14 million tons last year – 5.4% over 2014 and the highest level ever recorded in history. Nothing less than 5.8 billion hens were slaughtered in the country in 2015.

The figures from 2015 reflect the increasing economic importance of that industry. In the last 15 years, it has doubled in size, expanded exports fourfold, and increased its share in Brazil's trade balance. According to statistics from the federal government, fresh poultry came fourth among the country's exports Last year, after soybean, iron ore, and oil.

Despite producing fewer chickens than the US, Brazil has been the first country in the international trade of the product for some time now. About four out of every eleven kilograms exported in the world come from the country. Brazilian poultry is now found in 150 countries from all continents.

These figures show an industry that goes against the country's crisis and grows considerably amid a recession that caused the Gross Do-

WORLD'S LARGEST PRODUCERS (thousands of tons)

| | YEAR | | | VARIANCE | |
|-----------|--------|--------|--------|-----------|-----------|
| | 2014 | 2015 | 2016 | 14/15 (%) | 15/16 (%) |
| EUA | 17,299 | 17,966 | 18,365 | 3.86 | 2.22 |
| Brazil | 12,692 | 13,080 | 13,480 | 3.06 | 3.06 |
| China | 13,000 | 13,025 | 13,100 | 0.19 | 0.58 |
| EU | 10,330 | 10,600 | 10,845 | 2.61 | 2.31 |
| India | 3,725 | 3,900 | 4,200 | 4.70 | 7.69 |
| Russia | 3,260 | 3,550 | 3,650 | 8.90 | 2.82 |
| Mexico | 3,025 | 3,100 | 3,160 | 2.48 | 1.94 |
| Argentina | 2,050 | 2,060 | 2,100 | 0.49 | 1.94 |
| Turkey | 1,956 | 1,980 | 1,990 | 1.23 | 0.51 |
| Thailand | 1,570 | 1,650 | 1,650 | 5.10 | 0.00 |
| Others | 17,642 | 17,033 | 16,796 | -3.45 | -1.39 |
| Total | 86,549 | 87,944 | 89,336 | 1.61% | 1.58% |

mestic Product (GDP) to drop by 3.8% in 2015 – a scenario that should not change in 2016. As Brazilian economy shrinks, the United States Department of Agriculture (USDA), the leading global agency for agricultural statistics, foresees a 3% increase in locally produced poultry for this year – another production record for Brazil's poultry industry.

To some extent, the crisis has been an ally of the industry by encouraging the replacement of more expensive red meat with white meat in Brazilians' diet. According to the USDA report published in March, "this situation is expected to continue in

2016, but at a slow pace". Despite the importance of exports to the industry, the domestic market absorbs most of the output – about 68%, according to the Brazilian Association of Animal Protein (*Associação Brasileira de Proteína Animal*, ABPA).

In addition, devaluation of Brazilian currency (real, R\$) against the US dollar increased the competitiveness of Brazilian poultry abroad, helping to offset the fall in the price of the product in global markets. In January 2016, for instance, data from Brazil's Secretariat of Foreign Trade (*Secretaria de Comércio Exterior*, Secex) show that Brazilian poultry exports

yielded US\$ 451.1 million – 8.8% less than 2015. However, when converted into real, that figure increased by 40.4% during that period. Similarly, the volume exported also increased by 14.1% compared to January last year.

NATIONAL CHAMPIONS

According to ABPA, the poultry production chain accounts for five million direct and indirect jobs – nothing less than 5% of Brazil's employed population. The organization reports that slaughterhouses alone employ 400,000 workers. The data take into account not only poultry but also pork – which absorbs a smaller portion.

Brazil's Southern region concentrates most of its poultry slaughter – 59.6% in 2015 according to IBGE – as well as poultry farms – 63.5% in 2014 according to ABPA. There are approximately 180,000 farms dedicated to the activity.

Poultry raised by such large number of small and medium Brazilian producers are supplied mainly to two major Brazilian multinational companies. According to the ranking produced by Avisite – the main website for information on poultry in Brazil – together, BRF and JBS slaughtered 2.6 billion chickens in 2014, almost half the country's total figure. When it comes to exports, concentration is even higher. Both companies accounted for about 70% of poultry shipments in 2013, according to the Brazilian Poultry Association (*União Brasileira de Avicultura*, Ubabef).

The companies' control over poultry processing and trade is the result of an economic concentration process started in the late 2000s, for which participation of the Brazilian State was decisive. In 2009, Sadia – then the largest poultry processor in Brazil – faced serious economic difficulties when it announced its merger with its main historical rival Perdigão. The deal gave rise to BRF in a transaction sponsored by pension funds from state enterprises and the National Bank for Economic and Social Development (*Banco Nacio-*

WORLD'S LARGEST EXPORTERS (thousands of tons)

| | YEAR | | | VARIANCE | |
|-----------|--------|--------|--------|-----------|-----------|
| | 2014 | 2015 | 2016 | 14/15 (%) | 15/16 (%) |
| Brazil | 3,558 | 3,740 | 3,880 | 5.12 | 3.74 |
| USA | 3,312 | 2,990 | 3,221 | -9.72 | 7.73 |
| EU | 1,133 | 1,150 | 1,190 | 1.50 | 3.48 |
| Thailand | 546 | 580 | 570 | 6.23 | -1.72 |
| China | 430 | 395 | 375 | -8.14 | -5.06 |
| Turkey | 379 | 340 | 360 | -10.29 | 5.88 |
| Argentina | 278 | 200 | 225 | -28.06 | 12.50 |
| Ukraine | 167 | 180 | 190 | 7.78 | 5.56 |
| Canada | 137 | 130 | 140 | -5.11 | 7.69 |
| Belarus | 113 | 120 | 100 | 6.19 | -16.67 |
| Others | 417 | 406 | 437 | -2.64 | 7.64 |
| Total | 10,470 | 10,231 | 10,688 | -2.28% | 4.47% |

WORLD'S LARGEST CONSUMERS (thousands of tons)

| | YEAR | | | VARIANCE | |
|--------------|--------|--------|--------|-----------|-----------|
| | 2014 | 2015 | 2016 | 14/15 (%) | 15/16 (%) |
| USA | 14,03 | 14,99 | 15,23 | 6.85 | 1.58 |
| China | 12,83 | 12,88 | 13,00 | 0.39 | 0.82 |
| EU | 9,90 | 10,16 | 10,37 | 2.56 | 2.12 |
| Brazil | 9,13 | 9,34 | 9,60 | 2.27 | 2.78 |
| India | 3,71 | 3,89 | 4,19 | 4.74 | 7.73 |
| Mexico | 3,73 | 3,85 | 3,92 | 3.08 | 1.79 |
| Russia | 3,67 | 3,77 | 3,73 | 2.69 | 1.06 |
| Japan | 2,22 | 2,24 | 2,25 | 0.85 | 0.22 |
| Argentina | 1,77 | 1,86 | 1,87 | 4.96 | 0.81 |
| South Africa | 1,57 | 1,63 | 1,66 | 4.01 | 1.83 |
| Indonesia | 1,56 | 1,62 | 1,64 | 3.83 | 0.92 |
| Others | 20,77 | 20,01 | 19,89 | -3.70 | -0.56 |
| Total | 84,852 | 86,276 | 87,376 | 1,56% | 1,27% |

nal de Desenvolvimento Econômico e Social, BNDES), which acquired the new company's shares.

JBS had also received equity investments and major loans from BNDES in the past decade, and those funds were largely used to purchase companies in the poultry industry. The bank currently holds 24% of the company's shares. JBS's turnover jumped from R\$ 3.5 billion (US\$ 1 billion) in 2004 – when it still focused only on beef – to R\$ 120 billion (US\$ 34 billion) in 2014, when it became the largest private company in Brazil in terms of sales. Its expansion in poultry processing took place primarily through the purchase and leasing of other local companies such as Seara, Frangosul – which belonging to French company Doux – and the US subsidiary of Brazil's Tyson.

BRF and JBS are two major examples of the “national champions” policy that guided the actions of BNDES – the largest investment bank in Brazil – during the second Lula administration and President Dilma Rousseff's first term in office. Its core aim was to strengthen Brazilian multinationals that could take global leadership positions in their respective segments.

INTERNATIONALIZATION

The Middle East and Asia are the two main markets for Brazilian poultry, and they purchased 63% of exports in 2014. They were followed by Africa (14%), the European Union (10%), the Americas (9%), and the non-EU European market (4%). Fresh poultry is the main product ex-

ported to the largest markets, with 89% of Brazilian exports.

However, the scenario changes when it comes to the European Union. Processed and salted poultry – products with higher value-added – account for 76% of Brazilian sales to the region. That increases the relative importance of the EU in the trade balance of the Brazilian poultry sector. The Netherlands (47%), Germany (20%) and the UK (19%) are the main markets for Brazilian poultry to enter the European Union.

In recent years, besides increasing their operations in Brazil, BRF and JBS have also carried out major expansion in their industrial operations in other countries. BRF focused on Argentina, where the company has now seven plants – processing units for poultry, margarine, cheese, and beef. In 2014, it also opened a processed food industry in Abu Dhabi, focused on the Middle Eastern market, which is already one of the main destinations for BRF's Brazilian exports.

In Europe, it owns Plusfood, a poultry processing company with

plants in England and the Netherlands. Through Plusfood – which traditionally uses Brazilian poultry in its processing plants – BRF sells its products at major local supermarket chains.

JBS is also present in the European poultry market through Moy Park. The UK-based company is the largest poultry processor in Northern Ireland and it also has plants in other European countries, including Eng-

land, France and the Netherlands. Just as Plusfood, Moy Park also has a history of processing Brazilian poultry in its factories.

JBS is also one of the leaders in the US poultry market, where it has owned Pilgrim's since 2009 and is the second largest company in the local poultry processing market. In addition, it also has poultry production units in Mexico and Puerto Rico.

WORLD'S LARGEST IMPORTERS (thousands of tons)

| | YEAR | | | VARIANCE | |
|--------------|-------|-------|-------|-----------|-----------|
| | 2014 | 2015 | 2016 | 14/15 (%) | 15/16 (%) |
| Japan | 888 | 900 | 875 | 1.35 | -2.78 |
| Saudi Arabia | 775 | 900 | 850 | 16.13 | -5.56 |
| Mexico | 722 | 760 | 770 | 5.26 | 1.32 |
| EU | 709 | 710 | 720 | 0.14 | 1.41 |
| Iraq | 722 | 690 | 710 | -4.43 | 2.90 |
| South Africa | 369 | 420 | 440 | 13.82 | 4.76 |
| Hong Kong | 299 | 360 | 380 | 20.40 | 5.56 |
| Angola | 365 | 240 | 260 | -34.25 | 8.33 |
| China | 260 | 250 | 260 | 3.85 | 4.00 |
| Cuba | 186 | 210 | 235 | 12.90 | 11.90 |
| Others | 3,598 | 3,199 | 3,193 | -11.09 | -0.19 |
| Total | 8,893 | 8,639 | 8,639 | -2.86% | 0.63% |



INTEGRATED FOR MORE RIGHTS

SUMMARY

1. The industry's supply chain is based on the "integration system", especially in southern Brazil
2. Slaughter companies provide inputs in advance, and producers are obliged to trade ready poultry exclusively with the company
3. Poultry farmers protest against obligations and payment criteria, but the industry says that most of them are happy with the arrangement
4. Bill 6459/13, approved in March 2016 by the Chamber of Deputies, seeks to define obligations of both slaughter companies and producers
5. The National Confederation of Agricultural Workers (CONTAG) supports the new legislation, but the association of integrated farmers claims that it does not solve payment issues

In Brazil, the relationship between the main poultry slaughter companies and 180,000 poultry farmers is not restricted to purchase and sale. The business is governed by the "integration system" through which companies provide farmers with chicks, animal feed, and medicines in advance. In return, farmers have to trade ready poultry for slaughter exclusively with the company that supplied them with raw material and will be paid after production costs are discounted.

In this uneven marriage between large and small companies, industrial conglomerates have huge bargaining power to impose contracts that include their quality criteria such as the size of the aviaries, the final weight of animals for slaughter, and management techniques to be adopted. Those criteria often require high investments from "partners" in their properties. Moreover, the growing concentration of poultry slaughtering industries in Brazil makes the situation of poultry farmers even more difficult by reducing competition between buyers. The two largest companies in the industry – BRF and JBS, which account for almost half of Brazil's slaughtering and approximately 70% of exports – have their business models based on integration.

Permanent sources of dissatisfaction include not only quality criteria but also prices imposed on farmers. The weight of the chickens and the amount of feed they consume are the main factors of the complex formula to calculate producers' payment – the number of animals slaughtered and the amount of drugs used are also relevant. In addition, there is some sort of competition among integrated farmers because their productivity compared to other suppliers is also taken into account in calculations.

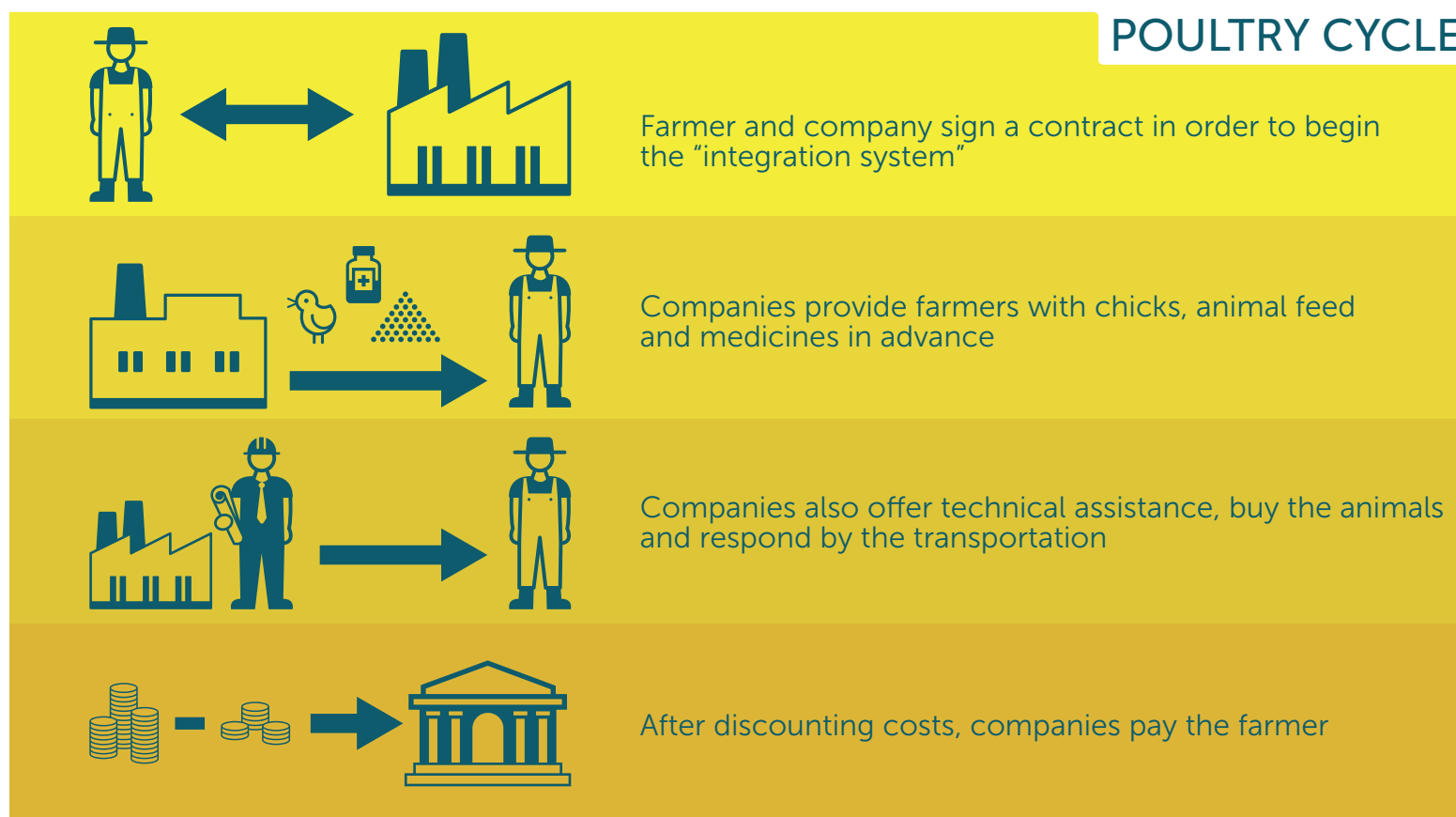
That math is considered obscure by family farmers and the organizations representing them. In practice, the vast majority understand little of the payment criteria. José Müller, a poultry farmer in southern Brazil, says: "We have to trust the company for everything. As integrated farmers, we make a delivery of poultry and we don't know how much we will be paid".

The result is a high level of debt faced by many farmers, who report situations in which what they are paid does not even cover their costs. In December 2014, more than 500 farmers protested against that in front of two BRF factories in Francisco Beltrão and Dois Vizinhos, state of Paraná. "Our production cost is R\$ 0.33 per chicken and some farmers are not paid more

than R\$ 0.25", Luiz Nei Bez said at the time. He is the chairman of the Association of Slaughter Poultry Producers of Dois Vizinhos and Region (*Produtores de Aves de Corte de Dois Vizinhos e Região*, Asspac). Also in 2014, a similar demonstration was organized by JBS's integrated farmers in Forquilha, SC.

The integration system began to be implemented in Brazil in the 1960s, inspired by similar practices existing in the United States, where complaints and tensions also involve integrated farmers and slaughter companies. In 2015, a notorious case in that country involved Pilgrim's Pride, one of the largest US poultry industries, which has belonged to JBS since 2009. Some 300,000 animals were mysteriously killed in poultry houses belonging to the company's suppliers in a South Carolina county. Investigators in charge of the case pointed out a former integrated farmer of Pilgrim's Pride as the prime suspect. The reason would be his dissatisfaction with the company after not having his contract renewed due to allegedly unsatisfactory productivity.

It is in this context that the Small Farmers Movement (*Movimento dos Pequenos Agricultores*, MPA), an organization that is present in several Brazilian states, advocates the need for public policies to create alterna-



tives to the integration system, which binds family farming to large industrial conglomerates. "We need to discuss the issue of small slaughterhouses and health surveillance, because our people have no place to slaughter the animals", adds Leandro de Freitas, one of the MPA leaders. "BNDES funds large slaughter companies but not the small ones". Cooperatives connected to MPA have started small projects for the production of derivatives of sugarcane such as ethanol and molasses.

THE INTEGRATION BILL

Brazil is currently discussing new legislation to regulate the relationship between the industry and integrated farmers. In March 2016, the Chamber of Deputies approved bill 6459/13, which sets out obligations and responsibilities of both parties to be included in their contracts. The matter still needs to be confirmed by the Senate and signed by the Executive.

The so-called "Integration Bill" is intended to face the legal insecur-

ity that characterizes those contracts, which are often challenged in Court. One of its main points is the creation of collective bargaining instances regarding integrated farmers' payment – which are supposed to make that controversial topic more transparent.

According to the proposition, in order to be valid, integration agreements must establish clear criteria on various issues – for example, quality standards of inputs provided by the industry; formulas to measure production efficiency; and sanctions for non-



WHAT THE INDUSTRY SAYS

For the Brazilian Association of Animal Protein (ABPA), which represents the country's slaughtering industry, most poultry farmers are happy with integration. "We have conducted an informal survey and found that 90% of integrated poultry farmers are happy to a greater or lesser extent", the organization's president Francisco Turra told the Repórter Brasil.

BRF was also asked for a comment on the matter of disagreements related to the integration model: "BRF has about 13,000 integrated farmers that account for a significant portion of Brazil's domestic production. In such a wide universe, occasional disagreements are natural, but BRF deals with all these situations with respect, professionalism and always seeking to strengthen the integration model that, for decades, has proved to be essential to the development of Brazilian agribusiness, both for producers and the industry".

JBS, in turn, said that "it has a positive feedback on poultry farmers' satisfaction, considering its individual relationship with those integrated farmers and the significant number of them who come to the company with proposals to expand their business". In addition, the company reports having "absolutely transparent" payment remuneration to integrated farmers and considers those policies "more than satisfactory". It also says it is not aware of farmers that are not keeping their commitments in its production chain.

compliance or termination. In addition, it provides for the creation of forums and parity-based committees including representatives of integrator industries and integrated farmers, which should establish methodologies and benchmarks for paying poultry farmers, pig farmers, tobacco growers, and other segments where there is integration.

The approval of the bill in the Chamber of Deputies generated demonstrations of optimism on both sides. It was hailed, for example, by the Brazilian Association of Animal Protein (ABPA). "It is a victory of Brazilian agribusiness. Thanks to this system, we gained competitiveness, we achieved standardization, and we expanded our international participation, therefore becoming the world's leader in poultry shipments. This shows the importance of creating a legal framework that sets clear rules on that relationship", said ABPA president Francisco Turra.

The bill is also supported by the National Confederation of Agricultural Workers (CONTAG), the largest organization representing small farmers in Brazil. "So far, the integration activity is governed only by the Civil Code. We see this as a major step for family farming in Brazil and a great time for production organization", says the organization's environment secretary Antoninho Rovaris. CONTAG claims to have suggested 16 amendments to the original bill, all of which were accepted in agreement with representatives of the industry and agribusiness.

The bill does not specify the criteria for establishing benchmark values for paying integrated farmers, which raises concern among their representatives. "There is currently high concentration of companies that buy poultry farmers' production, and this reflects in systematic reduction of their payment", the president of the As-

sociation of Integrated Poultry Farmers (*Associação Brasileira dos Avicultores Integrados*, Avai) Fernando Cezar Ribeiro said in a public hearing on the bill last year.

In this context, he argues that such benchmarks should establish a policy of minimum prices to be paid to producers. The original draft even mentioned explicitly that integrated farmers could not be paid less than their production costs, but that has been removed from the bill approved by the House.

The Senate can include changes about the remuneration of producers, but it isn't too much presumable. If the senators just confirm the writing sent by the deputies, forums and parity-based committees should establish methodologies and benchmarks for paying poultry farmers.

"THE FARMER IS ALWAYS IN DEBT"

"We've been working on this for 26 years. I practically grew up in the poultry house. I started with my father. Some 20 years ago the agricultural companies settled in our region and they came to us for partnership. Working with poultry became fashionable at the time; it was a fever in the region. And it was really profitable.

But the poultry industry has been through many changes. New requirements came, and I believe they were necessary for the company to sell its meat, to export. Everyone started talking of ISOs, we took part in meetings about it with the company. It was necessary to adapt, to develop new technologies within the poultry farm, investments to obtain ISOs. And this influenced our spending.

Our work was all about helping the company, making it big. But no one remembered that we also needed to grow with it. That growth happened, but the company didn't share it with us.

It's all on us. The farmer must keep the sheds perfect, according to a standard that the company changes all the time. I have colleagues who bought equipment that didn't even get to use. To give you an idea: we use a nebulizer to cool the aviary environment, and someone in the company thought it was better to change the standard pipe system for that nebulizer. That cost 2-3 thousand reais to each farmer. And after a while they realized that the change didn't have the effect they wanted and it was no longer needed. Those who are the first to do what they ask often end up suffering most.

Poultry farmers can never pay off their debts to the banks. When a new technology arrives or they need to change the sheds, they have no cash for that. So they're always in debt, always working to pay some debt. That's why many remain in the activity: because they need to pay their debts.

We have three aviaries and they are all closed. It is the first time we stop in 26 years. Working on it no longer pays off.

One thing that struck me in my life as a farmer was my mother's situation. She used to make our food. We had a milk cow, rustic chicken, and pigs... Food was always abundant on our table. But then the company came and began to take this right from my mother. It took the rustic chickens away because, according to them, they harmed the poultry in the shed.

I also look at my mother's feelings. She'd have eggs at home her whole life, and then she had to start going to the market to buy eggs. The company influenced inside our home, not only our work. It went there and messed with our home".

LUIZ ANTÔNIO BETIN, 46
FARMER / CAXAMBU DO SUL (SC)



Aviary cleaning with flamethrower

PRECARIZATION OF POULTRY CATCHING WORKERS

SUMMARY

1. Workers who catch live poultry and prepare boxes for transport are considered “the most exploited” in the industry
2. Lack of a formal contracts, excessive working hours – including early mornings – and unhealthy conditions are just some of the problems
3. Poultry catching is usually performed by young male workers with low education
4. A considerable number of those workers are migrants from other parts of Brazil or even from other countries such as Haiti and Senegal
5. Inspectors of the Ministry of Labor and Social Security have already found workers in slave-like conditions both at BRF's as JBS's production chains

Each day, about 15 million poultry are transported from Brazilian farms to slaughterhouses. Transport is made by trucks carrying hundreds of stacked boxes, each containing seven to ten chickens. Placing them in the boxes and then placing the boxes on trucks is a hard task carried out by teams that travel highways and dirt roads in small vans. Each of those teams includes about ten workers and visits several properties in a single day of work, and they are often in charge of catching more than 50 thousand chickens.

Lack of formal contracts, excessive workdays – including early mornings – and unhealthy work conditions are just some of the problems often faced by thousands of workers workers of the poultry sector engaged in the activity where cases of contemporary slavery have been found. Siderlei de Oliveira, president of the Brazilian Democratic Confederation of Workers in Food Industry (*Confederação Brasileira Democrática dos Trabalhadores na Indústria da Alimentação*, Contac) says: “Within our category, they are the most exploited workers”.

Poultry catching is usually performed by young, male workers with low education. A considerable proportion of them are migrants from other parts of Brazil or even from other countries – Haitian and Senegalese workers

can be found in southern Brazil, which is the main production hub. Workers often face hostile environments in the municipalities where the activity takes place, since many people see them as potential criminals, drug users, or even as wandering workers who remain in the region for short times and leave debts behind. “I used to have to lie about my work to be able to rent a house”, says Janel Rheinheimer, who has been working as poultry catcher for ten years in Serafina Corrêa, RS.

In February 2015, **Repórter Brasil** visited the city and found that, despite recent improvements in the organization of the industry, those workers still face many problems. One of those problems is their unpredictable working hours, since poultry catching needs to be permanent to supply an industry that slaughters 24 hours a day. Many teams have no fixed hours, which means a chaotic routine where they never know if they will sleep in the morning, the afternoon or at night – or even how many hours they will be home before the van honks at their door to start another long workday.

“We work up to 12 straight hours, depending on the day. Then we come home and, after two or three hours we need to go out again to fulfill the firm's schedule”, 22-year-old J. B., a poultry catcher in Serafina Corrêa told **Repórter Brasil**. “Today we've

worked 17 hours and we have to leave again at midnight”, she complained.

According to Geni Rosa de Oliveira, the president of the Union of Workers in the Food Industry of Serafina Corrêa, the situation used to be even worse a few years ago. “They would leave home and not know when they would be back. They'd stay away for three days, going from one poultry farm to another and dozing on the way”, she says. Only after much pressure by the Union on slaughter companies, some loading companies began to sign formal contracts with workers and adopt less abusive working hours.

Catching poultry is an activity performed by subcontractors for slaughter companies. They follow a strict work schedule imposed by the latter, who determine the farms to be visited each day and the times to deliver the animals.

According to Contac's president, the owners of those companies are basically labor recruiters operating similarly to the so-called “cats” (middlemen who recruit labor illegally) in Brazilian countryside. “Many used to be poultry catchers who, with support from the industries, set up their teams”, he says. Some those businesspeople heard by **Repórter Brasil**, in turn, complain about the values paid by the industry. Because they are supposedly

low, it would be difficult to pay workers' rights and hire more workers to do the job.

The very legality of that outsourcing is challenged by some prosecutors and labor inspectors. In 2014, the Labor Prosecutor's Office (*Ministério Público do Trabalho*, MPT) filed a public civil lawsuit against JBS in Nova Veneza, SC, demanding that catching workers were hired directly by the company for its production chain. The case is still pending.

BRF: POULTRY CATCHERS NOT PAID

In July 2012, 12 poultry catchers that worked for one of BRF's slaughter companies in Lajeado, RS, were rescued from slave labor. They were found in neighboring Nova Brescia after a complaint from the local government.

July 2012, 12 poultry catchers that worked for one of BRF's slaughter companies in Lajeado, RS, were rescued from slave labor. They were found in neighboring Nova Brescia after a complaint from the local government.

According to the Regional Labor and Employment Superintendence in Rio Grande do Sul (*Superintendência Regional do Trabalho e Emprego do Rio Grande do Sul*, SRTE/RS), besides living in two precarious accommodations, those workers also had their wages withheld by the employer – an outsourcing company providing exclusive services to BRF, according to inspectors. All of them were migrants from other towns in Rio Grande do Sul.

Inspectors found that almost all the migrants' wages were used to pay for accommodation, which was provided by the employer, which would charge for rent, water and electricity – and food, which, according to the employees, could be purchased only in a particular local supermarket. There they would buy the items on credit and the value would be deducted from their future payment. According to SRTE/RS, some poultry catchers would even be indebted to their boss and not be paid anything at the end of the month.

At the accommodations – one of which was an unfinished brick house – some of the problems included makeshift beds, dirty rooms, bathrooms in disrepair and dirty, and garbage thrown in open living areas. In addition, five workers had no formal contracts.

"Because they come from other towns, work in this activity [catching poultry], and are lodged in places that debase dignity, [the workers] were excluded from society and blamed for all local crime", says the final report of SRTE/RS on the case. Thus, they needed the employer's permission to care for their basic needs such as housing and food. "The employer, on the other hand, took advantage of that situation and kept employees depending on him for any activity, even preventing them from leaving, especially by restricting their freedom to use their earnings".

We sought BRF to hear its view on the slave labor case. The company said that the contract with the supplier in question was terminated after it became aware of irregularities: "Note that BRF periodically reviews the catching process in order to ensure compliance with legal and contractual premises. BRF has sought to work in close contact with authorities and service providers in order to prevent disrespectful conduct towards people who perform such functions, in line with the company's values and code of ethics".

JBS: PRECARIOUS HOUSING AND ILLEGAL OUTSOURCING

In another inspection operation conducted by the federal government, nine poultry catchers were rescued from slave labor in February 2015 in Forquilha, state of Santa Catarina. Some of them came from the state of Paraná, and they had been recruited by an outsourced company that provided services to JBS, which owned a slaughter company in town.

The case was denounced by newspaper "Jornal da Manhã" from Criciúma, SC, which reported the presence of 40 people lodged in precarious accommodation – including one located in a disused mine. The group included workers and their families, with children and pregnant women.

The day after the report was published, Regional Labor and Employment Superintendence in Santa Catarina (SRTE/SC) inspectors visited the accommodation in the disused mine, whose conditions "cannot be described in words", according to the inspection report. The place was deteriorated by lack of use, with broken doors and walls, a lot of dust, dirt, flies, humidity and stench, besides all sorts of irregularities in construction.

Inspectors also found broken, unserviceable toilets and part of the



group sleeping on rotten mattresses placed on the floor in the living room and kitchen. “All the furniture belonged to the employees who moved there in hopes of being accommodated in real homes”, the report says. Moreover, they did not have work contracts. As they reported to SRTE/SC, their working hours were often longer than the legal limit. Sometimes they would start at midnight and only to return at three in the morning.

The inspection considered that hiring those workers through a third party was illegal and it blamed JBS for the problems. According to the Superintendence, companies providing poultry catching services in the region have no financial or technical conditions to manage such business. In addition, the agency says that JBS defines locations and hours for poultry catching and therefore it defines employees’ working hours.

The inspection also pointed out that workers rescued were already picking up poultry for the slaughter company before JBS signed a service provision contract with the outsourced company allegedly responsible for the workers. “When JBS decides to use that labor without ascertaining its regularity, it takes the responsibility for entire history of those employees upon itself, such as their illegal recruiting”, the SRTE/SC concludes.

In an agreement with labor prosecutors, JBS agreed to pay compensation of R\$ 5 thousand for moral damages to each of the workers rescued. It also pledged to pay for the group’s expenses to travel back to their hometowns and the hotel where they stayed after the rescue.

JBS said that the company that hired those workers was excluded from its list of suppliers: “JBS and all its brands do not condone these types of practices and have strict controls for hiring service providers. The company does not accept behavior as in situations the reported. To prevent practices contrary to its policy, it supervises its suppliers systematically”.

In addition, JBS says that “it only works with formal businesses, even small ones; all catchers’ teams are formally registered as companies and their employees have work contracts; their social security is paid as well as other labor fees. Furthermore, JBS does not work with minors and always monitors the logistics operation so that those workers do not exceed their working hours”.

MAURICÉA: BROKEN PROMISES AND WORKING OVER 14 HOURS A DAY

In April 2013, labor prosecutors filed a public civil lawsuit against Mauricéa Alimentos, accused of keeping 33 poultry catchers in conditions analogous to slavery. The problem has been detected a month earlier, in Barreiras, BA, by federal government inspectors. The workers were found in degrading working conditions and were forced to work over 14 hours a day.

Mauricéa is one of the largest poultry-producing companies in Northeastern Brazil. It is a major supplier of the regional market, and it exports to countries like China, Hong Kong, and Haiti. The company founded in 1988 maintains its own poultry farms, but also works with partners within integrated production system, similar to what occurs in Brazilian southern states, such as Santa Catarina. On its website, the company says it has ten industrial plants located in the states of Pernambuco and Bahia, and more than 2.3 thousand employees.

The workers had been hired by “Prestadora de Serviços Madonna”, a company to which Mauricéa outsourced services. However, in May that year, after prosecutors filed for an injunction, the Labor Court in Barreiras, BA, ruled that JBS should pay the severance amount to workers rescued within 48 hours.

The judge in charge ruled that the outsourcing relationship maintained between the companies was illegal and that Mauricéa was responsible

for the victims. The ruling was based on Decision 331 of the Higher Labor Court (*Tribunal Superior do Trabalho*, TST), which, among other things, says that subcontractors’ non-compliance with labor standards entails subsidiary liability by their contractor.

In an interview with **Repórter Brasil** at the time, Mauricéa co-owner Marcondes Antônio Farias sustained that the company had no responsibility for Madonna’s employees and that “every medium and large poultry company in Brazil outsources poultry catching”. He also said that his company does not control outsourced employees’ entrance and exit times.

Mauricéa also released a statement saying that it “vehemently repudiates any form of work that can be equated to a condition analogous to slavery” and claimed that the farm was “owned by a farmer under an integrated contract with the company – a partner in raising poultry that also provides them to other slaughter companies”.

The workers had been hired in April 2012, in Brasília, state of Distrito Federal, by “Prestadora de Serviços Madonna”, which would provide accommodation and food. However, the company ceased to provide it in December of the same year. Since then, employees had to rent places in the city and bring food from home.

According to reports collected by federal government inspectors, the company offered beds to workers but charged for them. Not every worker had a formal contract and those who had it would receive part of their payment under the table for an exhausting workday of over 14 hours.

The inspection also found several workers with skin lesions that would have been caused by improper contact with Primmax Sanquat, a chemical substance used to disinfect aviaries. The problem would not have happened if they had been provided with proper protective equipment.

ACCIDENTS AND ILLNESS IN THE INDUSTRY

RESUMO

- 1. Poultry slaughter and processing are known as top causes of workers' illnesses in Brazil
- 2. Three years after the publication of Regulatory Norm 36 by the government, union leaders consider that it resulted in important improvements for the protection of workers' health
- 3. But there is concern with new tricks adopted to "circumvent" the regulatory norm, such as increasing the speed of conveyor belts in production lines
- 4. Audits conducted by the Ministry of Labor and labor prosecutors indicate that JBS is still far from meeting minimum health and safety standards
- 5. An academic study found that the risk of women taking leaves of absence from work due to pregnancy-related disorders in poultry and pork slaughter is 4.76 times higher than the average

Poultry slaughter and processing are known as top causes of workers' illnesses in Brazil. Hundreds of thousands of employees of that industry often face several risk factors:

- Constant exposure to knives, saws and other sharp instruments;
- Performing repetitive movements

that might lead to serious injuries and illness;

- Psychological pressure to keep the high pace imposed by production lines;
- Working hours often exceeding the daily limit established by law;
- Closed, suffocating, and very cold environment.

Based on data from the National Social Security Institute (*Instituto Nacional do Seguro Social*, INSS), the federal government found that, between 2000 and 2008, the number of such events related to poultry slaughter companies was significantly above average:

| OCCURRENCES IN POULTRY INDUSTRY (2001/2008) | | |
|---|--|---|
| Disease type | Prevalence among employees in all economic sectors (per 100,000 workers) | Prevalence among employees in poultry and pork slaughtering (per 100,000 workers) |
| Mood disorders (e.g. depression) | 209.11 | 712.92 (3.41 times the average) |
| Disorders related to Nerves, Roots and Nerve Plexus (e.g. Carpal tunnel syndrome) | 40.09 | 270.28 (6.74 times the average) |
| Dorsopathies (e.g. cervical disc problems) | 443.7 | 805.54 (1.82 times the average) |
| Muscle, tendon and soft tissues problems (e.g.: bursitis) | 288.57 | 1229.18 (4.26 times the average) |
| Wrist and hand trauma | 310.99 | 691.23 (2.22 times the average) |
| Burnings and corrosion | 18.9 | 46.80 (2.48 times the average) |

New rules were approved in April 2013 to improve working conditions in Brazil's slaughter companies and abattoirs. As a result of pressure by several organizations to reduce health risks related to the industry, Regulatory Norm 36 established several new guidelines for the operation of those companies. They include:

- Breaks along the workday for workers to rest their muscles;
- Ergonomic and safety adjustments to factories' conveyor belts and other machinery;
- Norms to reduce workers' exposure to extreme cold environments as well as to soften thermal discomfort;
- Adjustment of work stations so that, wherever it is possible, the work is done sitting in alternation with work on foot.

Three years after RN 36 was approved, union representatives estimate that it did result in important improvements to protect workers' health. "Where it was correctly implemented, the norm has drastically reduced the number of workers coming to the Union with Repetitive Strain Injury (RSI) problems", says Siderlei de Oliveira, president of the National Confederation of Workers in Food (*Confederação Nacional dos Trabalhadores na Alimentação*, Contac/CUT). "The number of ill workers has been decreasing considerably, but the industry still needs to further modernize its machinery and adjust its internal practices", adds Celio Alves Elias, President of the Union of Workers in the Food Industry in Criciúma and Region (*Sindicato dos Trabalhadores na Indústria da Alimentação de Criciúma e Região*, Sintiacr).

However, there is still concern about new tricks adopted to "circumvent" the regulatory norm at the expense of workers' health and safety. According to Roberto Ruiz, an occupational physician and a consultant with Contac/CUT, poultry slaughter companies like BRF in Chapecó, SC, would be trying to compensate breaks by increasing the productivity pace. "In the medical care we provide, we see a general complaint by workers that the pace of work is increasing day by day", he says.

In the state of Paraná – Brazil's largest poultry producer – there are reports of other stratagems being adopted by BRF. The secretary-general of the Union of Food Workers in the Carambei Region Wagner Rodrigues Nascimento denounces: "There's been productive reorganization, with increase in hours worked. We have reports from several workers who, in order for the company not to be fined in inspections, punch their cards and return to work".

Several audits carried out by the Ministry of Labor and Social Security (*Ministério do Trabalho e Previdência Social*, MTPS) and labor prosecutors indicate that JBS is still far from meeting minimum health and safety standards. Even after approval of RN 36, inspectors found workdays exceeding 14 hours, abusive pace of work, and attempts to trick them by slowing down lines of production during inspections by auditors (see table below).

Sandro Sardá, a labor prosecutor and coordinator of a group specialized in slaughter companies, denounces that "JBS has been adopting a deliberate policy of precarization of labor relations". According to him, the scenario is so serious that it is heading to a situation where all the companies' units will be subject to lawsuits filed by his office.

PREGNANCY AT RISK

The high rate of pregnancy-related problems is another concern associated with slaughter activities in Brazil. In 2013, the Federal University of Santa Catarina (UFSC) conducted a study and found that the risk of women taking leaves of absence due to such problems – including abortions – is 4.76 times higher in poultry and pork slaughter than the average.

The study is based on INSS data from 2005-2011.

In July 2015, Eleonora Menicucci – the Minister of the Secretariat of Policies for Women of Brazil's Presidency (*Secretaria de Políticas para as Mulheres da Presidência da República*, SPM/PR) – received workers of the industry and demanded a survey of existing studies on the topic. The situation still lacks a clear diagnosis about its causes. "We don't know if it's the ammonia, the cold, the pace of work or some other factor", says occupational physician and Contac/CUT consultant Roberto Ruiz.

WAGES

A survey conducted by the Department of Statistics and Socioeconomic Studies (Dieese) in 2012 showed that the average wage of a worker employed in poultry slaughter in Brazil was R\$ 1,218.31. The same survey also showed that 59% of them were paid less than two minimum wages, which currently reaches R\$ 880.

The average salary shown by the study at the time was approximately half the "necessary minimum wage" calculated by Dieese – i.e. the amount needed to meet basic health, education, housing, leisure, and transport needs a family of two adults and two children.

The scenario has not changed significantly since then, and better wages remain as one of the main demands of the industry's workers. In recent years, driven by rising inflation, the necessary minimum wage calculated by Dieese has also risen sharply, and it is now at R\$ 3,736.26. This value is more than three times higher than the minimum wage adopted at BRF's and the JBS group's poultry slaughter units.

| MINIMUM WAGE IN POULTRY SLAUGHTERING UNITS (EXAMPLES) | |
|--|-----------------------------------|
| JBS group | BRF |
| Brasília (DF) - R\$ 996.03 | Dourados (MS) - R\$ 1,030.00 |
| Roca Sales (RS) - R\$ 1,044.00 | Nova Mutum (MT) - R\$ 1,023.00 |
| Ipumirim (SC) - R\$ R\$ 1,051.29 | Videira (SC) - R\$ 1,090.00 |
| Forquilha (SC) - R\$ 1,253.03 | Caxias do Sul (RS) - R\$ 1,090.00 |

JBS – SYSTEMATIC IRREGULARITIES IN POULTRY SLAUGHTERING UNITS

Santa Cruz do Sul (RS)

In April 2016, the local JBS unit was notified to adopt measures to regulate the working environment. Recommendations included immediately stopping machines offering employee serious risks of accident.

Itaiópolis (SC)

In October 2015, an MPT/MTE inspection found that the unit's employees worked over 14 hours a day – three times more than the legal limit; and 93% of deboning employees worked in constant pain.

Nova Veneza (SC)

In August 2015, prosecutors filed a lawsuit against the local JBS unit asking for R\$ 50 million as collective moral damages. The inspection found that employees in most activities performed 60 to 110 movements per minute – while the threshold deemed acceptable by medical studies is 30-35.

Rolândia (PR)

JBS's slaughter plant in that town was interdicted in May 2015, as well as 45 machines that posed risks to workers' health and safety. Inspectors interviewed 400 employees and found that 52.9% of them had taken medication to work in the previous 12 months.

Nuporanga (SP)

In November 2014, an MTE inspection found, among other problems, excessive work pace at the local JBS unit. According to inspectors, orders were given to reduce the speed of belts in production lines during their visit. The workers said: "When you leave, we'll suffer to catch up".

Santo Inácio (PR)

An ammonia leak at the local JBS unit led 66 poisoned workers to the hospital. Prosecutors demanded R\$ 16.8 million reais to be paid to the victims as collective and individual moral damages.

São José (SC)

In August and September 2014 alone, MTE found 3,550 cases of workdays over 10 hours; working over 14 hours a day was common.



WHAT THE INDUSTRY SAYS

Regarding health and safety conditions at their factories, JBS told **Repórter Brasil** that it has been investing heavily so that all units of all its businesses provide the best conditions for employees – investment that includes the creation of a department of compliance for labor relations. The company's high growth through acquisitions – JBS has 120,000 employees, more than twice what it used to have in 2012 – would be, according to the company, a complicating factor. "Since not all businesses purchased were managed according to JBS's policies and values, the company has been working to bring all these units into their culture by addressing, among other issues, the labor issues from previous managements", JBS argues.

On its wage policies, JBS says that the benefits offered by the com-

pany are in line with the market in which it operates and also that minimum wages are subject to collective bargaining in each location where the group operates.

Asked about their employees' wages, BRF claims that allegations of changes in the pace of production to compensate for breaks and of workers returning to work after punching their cards are not true. "The alleged changes in the pace of the tasks at units would depend on factors related to a complex program that involves daily slaughter calculations, farms' stocks, volume of feed available, machines' speed, among others. Therefore, the progressive and variable change does not find technical support within this system given logistical and structural factors", the company says.

In addition, BRF sustains that today's challenging macroeconomic environment "requires that all actors involved work to preserve the sustainability of the business and jobs,

and to value employees". In this context, the company advocates the variable pay model it has sought to implement in their units, through which, according to the BRF, the wage increase could exceed inflation. "The attempt to limit the discussion about workers' situation to wage adjustment reduces the breadth and importance of the meritocratic system whose magnitude covers pay, promotions, profit sharing, and other benefits", the company says.

According to union leaders interviewed by **Repórter Brasil**, in BRF's variable pay scheme workers would receive "rewards" if their units reached a set of goals, which include, for example, decrease in total absenteeism in factories. Contac/CUT criticizes the proposal for believing that, by linking higher pay to lower absence rates, BRF would be discouraging workers from asking for sick leaves and urging them to work while sick. BRF was asked to comment on Contac's allegations, but it did not respond to **Repórter Brasil**.



RECOMMENDATIONS

Poultry production has gained increasingly importance among Brazilian agribusiness products in recent decades. In 15 years, the industry has doubled its production volume, quadrupled exports, and gained increasing weight in the trade balance – fresh poultry was Brazil's fourth top export in 2015.

It is also one of the industries that best managed to cross the maelstrom of bad news that has taken Brazilian economy after 2015. Last year, while the GDP declined by 3.8% over the previous year, domestic poultry production broke the record – 5.4% higher (in tons) than 2014.

However, several links in the poultry production chain still do not guarantee workers sufficiently dignified and safe conditions of employment and income. The situation of integrated poultry producers, poultry catchers, and industry workers shows that and demonstrates how the distribution of the industry's growth is highly uneven.

To face such unequal scenario in the poultry production chain, poultry farmers' and workers' demands need to enter the agenda of corporate and government policies for the industry. Some of the main demands to be taken into account in this context are systematized below:

INTEGRATED POULTRY FARMERS

MINIMUM INCOME

There are frequent reports of farmers being paid less than their production costs. Uncertainties related to the financial return on the activity and constant demand for investment in sheds – imposed by the industry's quality standards – create huge financial pressure on poultry farmers who are struggling to pay off bank loans and support their families.

Bill 6459/2013, which regulates the relationship between farmers

and integrator industries, is pointed out as a tool to change the unfavorable scenario. Advanced in its debate in commissions of the Brazilian Congress, it provides for the establishment of collective bargaining instances that include integrators and integrated to define parameters for farmers' payment.

The establishment of a minimum income policy to pay for poultry farmers' production is certainly a core point in the parameters they demand. Given that this directive has not been explicitly incorporated into the bill, it is essential that collective bargaining tables do that. The measure is capable of facing one of the main problems affecting the financial sustainability of integrated farmers.

INDUSTRIAL POLICY

The industrial agenda implemented during the second term of President Lula and the first years of Dilma Rousseff's administration was strongly marked by what is conventionally called "national champions" policy. It consisted, basically, in granting low-interest loans to specific sectors of the economy through BNDES in order to encourage the development of large Brazilian multinational companies that could compete as leaders in the global market.

The animal protein industry was one of the beneficiaries of that policy, which helped to consolidate the JBS and BRF groups as the absolute leaders in Brazilian poultry production. The expansion of the companies occurred mainly through mergers, acquisitions and leases. BRF is the result of the merger of the two leading companies in the industry in 2008 – Sadia and Perdigão – and JBS, which did not even operate in the poultry sector until 2009, incorporated industrial plants of major competitors such as Seara Alimentos, Doux Frangosul and Tyson do Brasil only in the last four years.

Therefore, one of the impacts of the "national champions" policy on the lives of poultry farmers was reducing competition between potential buyers for their products. According to

farmers' representatives, the situation contributed to systematic reduction in their pay. In this context, it is relevant to discuss to what extent the directions of Brazil's industrial policies for the industry affect the financial sustainability of family farming, and what would be the appropriate action to correct those distortions.

POULTRY CATCHERS

ORGANIZATION OF THE ACTIVITY

Although crucial for the poultry industry, poultry catchers' labor remains almost invisible in its production chain. They are hired by a vast network of small subcontractors and they have no union representation in most towns where the activity is carried out and. In some cases they do not even have formal contracts with their employers. Recent cases of slave labor described in this report, involving poultry catchers recruited to supply companies like BRF and JBS, show that precariousness also exists in major companies.

The often chaotic workday stands among the many problems in poultry catching. Common problems include working hours beyond the legal limit, shifts that start in the morning, afternoon and night, and very short breaks between the end of a workday and the beginning of another. In more extreme cases, those workers "only get some real sleep on weekends", as described by a catcher heard by **Repórter Brasil**.

The industries have a great share of responsibility for this scenario, since they define the work schedule for outsourced transport companies – the number of properties where there will be catching that day, which will be the aviaries visited by each company, the distance among poultry farms etc. According to employers and workers in the industry that were heard, slaughter companies often inform the schedule only on the day before the service.

Therefore, it is essential that industries plan and monitor activities to ensure decent working conditions for

catchers. Slaughter companies must monitor whether their subcontractors have the proper amount of workers for the services in question, and establish schedules compatible with legal limits on working hours. The proper use of Personal Protective Equipment (PPE) and the payment of all labor rights – FGTS, INSS, overtime, vacation, etc – should also be audited.

LEGAL ACCOUNTABILITY

Poultry catching is an essential work for slaughter companies' core business – slaughtering poultry. Moreover, the conditions under which the activity is exercised are decisively influenced by policies and parameters imposed by those companies.

In this context, it is clear that slaughter companies have more than mere social responsibility for the situation of workers. While voluntary monitoring of the chain is necessary and important, it should not exclude the possibility of holding companies legally accountable for any labor problems found in the activity.

Large companies' responsibility for what happens in their supply chains is internationally acknowledged under regulatory frameworks such as the UN Guiding Principles on Business and Human Rights. Countries like Brazil should translate those principles into clear regulatory frameworks and legal accountability, therefore preventing large corporations from benefiting from low-cost produc-

tion by “outsourcing” the risks of legal sanctions regarding human and labor rights violations.

Some actions are already under way towards poultry catching, for instance, MTPS and MPT inspections on illegal outsourcing of the activity in some specific contexts. However, those are specific situations, which may become even rarer if bill 4330/2004 – which allows outsourcing companies' core businesses to be outsourced – is approved by Congress.

INDUSTRY WORKERS

LIVING WAGE

The wage floor and the average amount paid to slaughter industry workers are lower than Dieese's “necessary minimum wage” – the amount needed to meet the expenses of a worker's family on food, housing, health, education, clothing, hygiene, transportation, leisure, and safety. And there is evidence that this gap can be further expanded in the coming years.

In recent collective bargaining, the annual increase granted to the industry's workers in some towns was below inflation rates for the period – even though the poultry industry continues to have good economic performance as opposed to the negative situation of Brazil's economy as a whole.

In this context, maintaining wage policies that ensure real gains for workers is feasible and important, as had been occurring in recent years. Moreover, the adoption of new variable payment policies should be considered with caution. In an industry where workers already have high rates of illness, financially rewarding workers based on the decrease in absence rates in industrial plants is dangerous.

HEALTH AND SAFETY

Implementation of Regulatory Norm (RN) 36 is an improvement for the quality of life of the industry's workers. Recent audits by labor prosecutors and inspectors, however, show that there is still much to advance until its principles are fully implemented in Brazil's poultry slaughter companies.

Authorities must pay attention to maneuvers to circumvent the limits imposed by RN 36, which, by granting breaks during the workday will inevitably lead to reduction in production time during shifts. By compensating such reduction with increases in speed on production lines as workers' representatives say it has been happening, companies once again place their employees' health at risk in a sector where illness rates are already significantly above the national average.

The impact of slaughter activity on pregnant workers is another issue to be faced. Given evidence of a serious correlation between work in the industry and recurrent records of pregnancy-related issues – including abortion – the private sector and the government urgently need to coordinate initiatives to establish the causes of the problem as well as appropriate measures to address it.

