

Behind the
scenes of the
juice industry



SQUEEZED





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CONTENT

Foreword	5
The supply chain at a glance: From the plantation into the bottle	6
1 – THE CULTIVATION.....	8
The price for the oranges.....	10
Juice cartel punished.....	13
Working at the supplier.....	14
Strike at the supplier.....	16
New laws.....	20
Plant disease “Greening”	22
World champion in agrottoxins.....	23
Bee deaths	24
2 – THE PRODUCERS	26
Cutrale.....	27
Citrosuco	35
Louis Dreyfus Company (LDC).....	41
3 – THE BOTTLERS	46
Coca-Cola	47
Pepsico	48
World champion in fruit juice	49
Eckes-Granini.....	51
Refresco.....	54
Riha-Wesergold.....	55
Valensina.....	56
Beckers Bester	56
Hassia Gru{ v &	57
Pfanner	58
Packaging and environment.....	58
4 – THE RETAILERS	60
Value chain in figures.....	63
Edeka	63
Rewe	66
Aldi.....	68
Lidl.....	70
5 – THE CONSUMERS	72
Labels, certificates and co.	73
What can you do as a consumer?	79
DEMANDS ON POLICY MAKERS AND RETAILERS.....	80
List of references	82
About us	84
Order form.....	85



Preface

The present study describes how orange juice gets onto the shelves of local supermarkets and discount stores – from the cultivation of the fruit to the marketing of juice. Research findings from Brazil and Europe highlights issues that food retailers would prefer to keep hidden: Dependency and exploitation. The focus is on the juice producers Cutrale, Citrosuco and Louis Dreyfus company (LDC), and the main bottling companies in Europe.

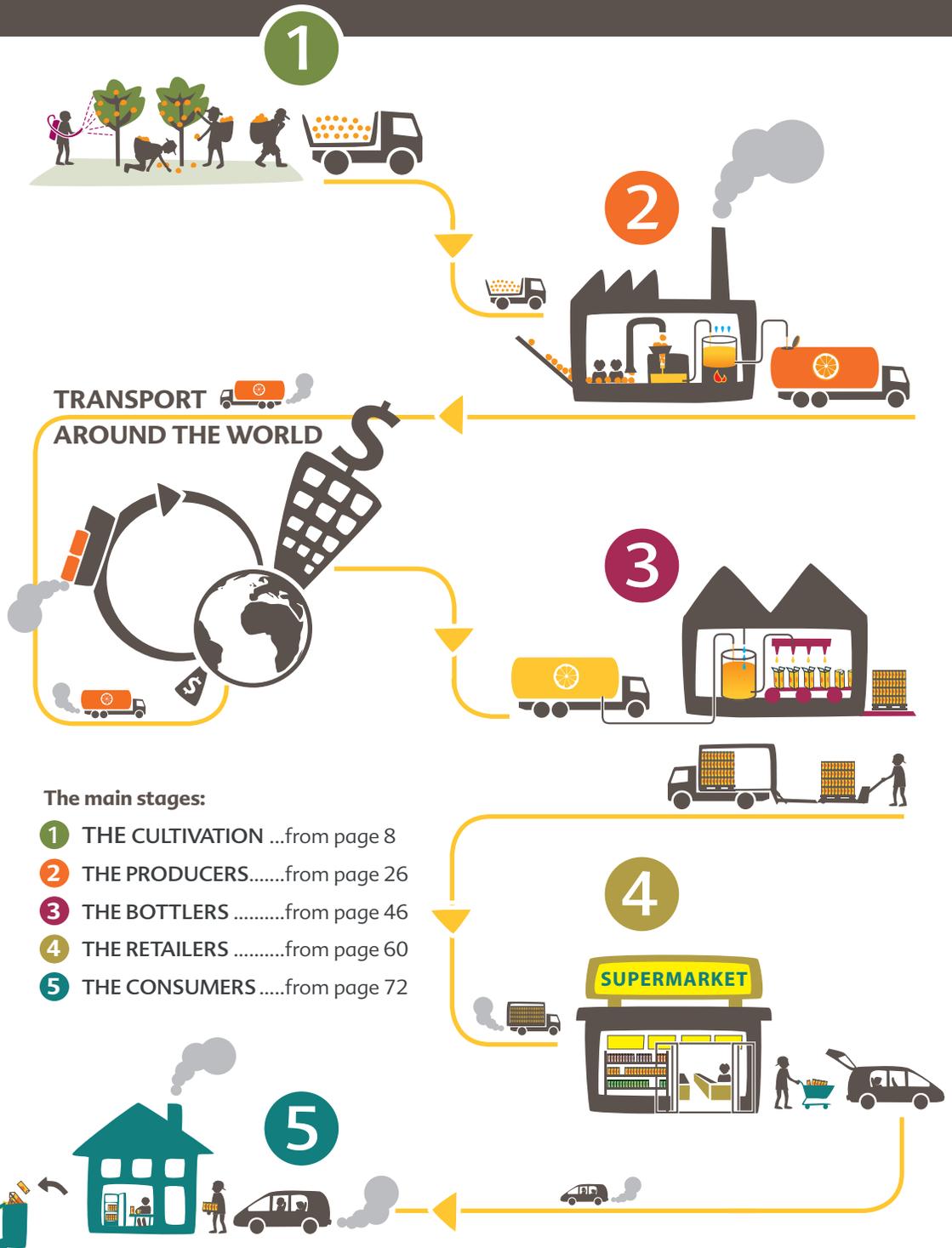
The study takes a qualitative research approach. The description of the working conditions and the identification of environmental problems in the production of juice is based on field studies carried out by the environmental organization GLOBAL 2000 and the Christian Initiative Romero (CIR) in Brazil, as well as a study conducted by Repórter Brasil in 2017 on behalf of CIR. The research team

focused on the studies and evaluations of labour, social and environmental standards in multinational companies in Brazil. The detailed and open-ended interviews were conducted with workers and experts in the main area of production of oranges for the industrial production of juice, the state of São Paulo and adjoining neighbour states.

In addition to primary sources – individual interviews with workers and their union representatives – information from companies and industry, authorities and information from trade associations, trade press and universities serve as secondary sources. On the research strategy: The investigation focuses on case studies of workers and on such cases that were pursued by trade unions, or by the Federal Public Prosecutor's Office for labour law. In addition to examining general offences that are punishable by fine notices, it particularly examines the offence of slave-like work.

Special thanks go to all those who have contributed to this report: the workers who confided their stories to us, the union leaders, university experts and NGO representatives who supported us with their knowledge. The following deserve a mention here: The Articulação dos Empregados Rurais do Estado de Minas Gerais (Adere-MG), Tie Brasil, Movimento dos Trabalhadores Sem-Terra (MST), Federação dos Empregados Rurais Assalariados do Estado de São Paulo (Feraesp/SP), Sindicato dos Empregados Rurais de Duartina (SER Duartina), Sindicato dos Trabalhadores e Empregados Rurais de Piratininga (STER Piratininga), Sindicato dos Trabalhadores nas Indústrias de Alimentação e Afins de Mogi Mirim e Região (Stiaamm) und Sindicato dos Trabalhadores e Empregados Rurais de Bauru (STR Bauru).

The supply chain at a glance:



The main stages:

- 1** THE CULTIVATION ...from page 8
- 2** THE PRODUCERS.....from page 26
- 3** THE BOTTLERSfrom page 46
- 4** THE RETAILERSfrom page 60
- 5** THE CONSUMERSfrom page 72

FROM THE PLANTATION INTO THE BOTTLE

The origins of the orange go back 4,000 years and probably lie in Southeast Asia, to be precise in what today is China. This is also shown by the fact that in many languages, the fruit is known as the apple from China (apfelsine). The orange was finally brought to Europe by the Arabs in the middle ages. At around 1500, the orange arrived in America after one of Christopher Columbus's expeditions. In Brazil the plants actually found better conditions than in their area of origin. One third of all oranges and more than half of the orange juice consumed today all over the world comes from Brazil.¹

Juice oranges belong to the special fruit varieties grown for their high juice content. These include: Hamlin, Westin, Rubi, Pera, Valencia, Natal and Folha Murcha. They mature at different times, meaning that the harvest in Brazil stretches from July to January. Since the individual fruits do not mature at the same time, they must be picked largely by hand. If the oranges are picked too early, the juice tastes sour. Oranges that are ready to be picked are not necessarily orange in colour, because the colour develops only after many cool nights at approximately 5° Celsius. Nights in Brazil are not so cool, which is why the oranges largely retain a rather green or yellow colour. Green oranges, too, can already be ripe and sweet enough for juice.

In factories, samples of the incoming oranges are initially taken and checked in the laboratory for quality, density/sweetness (degrees Brix) and acidity. The oranges are then washed, sorted according to size and squeezed. Since the peel may not be squeezed, each orange must be squeezed individually. The pulp is chopped and frozen. The peel

and other solid waste materials are also used for other products, such as for essential oils or pellets for animal feed. At this point the production process is separated, depending on whether fruit juice or juice concentrate is produced.

Fruit juice (not from concentrated – NFC) is briefly heated to improve shelf life (pasteurised) and passes a ventilation system to remove dissolved oxygen and protect vitamins from oxidation. For the production of fruit juice concentrate, the water is removed from the juice by vacuum evaporation and evaporated to about one-fifth to one-sixth of the original volume. The volatile aromatic substances that thereby escape are collected. The concentrate is then frozen at temperatures as low as -18 °Celsius. In this form (frozen concentrated orange juice – FCOJ) the concentrate keeps for up to 18 months. According to a study on the Brazilian orange juice sector, the production of one tonne of FCOJ (in the customary quality of 66 °Brix) requires an average of 238 crates of oranges (approximately 9700 kg).² To maintain a consistent taste throughout the year, different types of juice are mixed during and after the production in different proportions. Using special freezer containers, the juices are pumped into trucks and transported to the port of Santos where they are loaded onto special ships and exported.

After arriving in Europe, the fruit juice concentrate is re-diluted to the original volume, and the pulp is added, if necessary. To improve shelf life, the juice is pasteurised by briefly heating it to 85° Celsius, bottled and finds its way into retail. FCOJ is also used for the production of other beverages such as soft drinks or nectar.

1 Cf. Neves, Marcos: O retrato da Citricultura Brasileira, 2010: pp. 29-32.

2 Cf. Neves, Marcos/ Trombin, Gustavo et. al.: Food and Fuel – The example of Brazil, 2011: p. 99 et seq.



THE CULTIVATION



Photo: Emese Culyás (TVE)

The worldwide production of oranges in recent years, with minor fluctuations, amounted to around 50 million tonnes.¹ Brazil has the worldwide largest share with about one third of the entire production, followed by China and the United States. Only a small part of the oranges picked in Brazil are consumed as a fruit in the country itself. The majority goes into juice production. 95 percent of the juice is exported. There are three large family businesses that together provide 80 percent of the global juice production: ► **Cutral** (p. 27), ► **Citrosuco** (p. 35) and ► **Louis Dreyfus Company**, LDC for short (p. 41).

In 2016, 73.3 percent of all oranges in Brazil were picked in the region in and around the state of São Paulo.² The region, including the western part of the state of Minas Gerais, Triângulo Mineiro, is the most important producing region in Brazil.³ Well over 90 percent of the juice production (FCOJ and NFC) originates here.⁴ Since the 70s, orange cultivation in the region has been intensified after frosts and diseases, particularly coffee rust, wiped out the local coffee plantations extensively nationwide. Orange lent itself as a particularly viable alternative at the time: For one thing, climate and soil conditions were suitable and moreover, there was also enough cheap labour. Just like coffee, oranges are also

a very labour-intensive agricultural product.⁵

The orange sector in Brazil is highly efficient; ranging from the nurseries for seedlings to the cultivation, all the way through to the production and international distribution of juice in its various forms using sophisticated logistics of bulk goods for consumption in Europe, America and Asia.⁶

The productivity per hectare has in-



Some 200 million orange trees provide the raw materials for the production of juice in the state of São Paulo. Other major orange-growing regions in Brazil are the north west of the state of Paraná, the Triângulo Mineiro in the state of Minas Gerais, and the north of the state of Bahia.

creased significantly in recent years: While the nationwide average in 1990 stood at 380 crates per hectare, in 2010 this figure had al-

1 2016/17 49.3 million tonnes. Cf. United States Department of Agriculture, The Foreign Agricultural Service, <https://apps.fas.usda.gov/psdonline/circulars/citrus.pdf> p.1 (access: 5 March 2018).

2 Cf. Production statistics "Produção Agrícola municipal 2016", Instituto Brasileiro de Geografia e Estatística (IBGE): <https://sidra.ibge.gov.br/tabela/1613> (access: 6 March 2018).

3 When the region São Paulo is referred to in the following, it usually also includes these production areas.

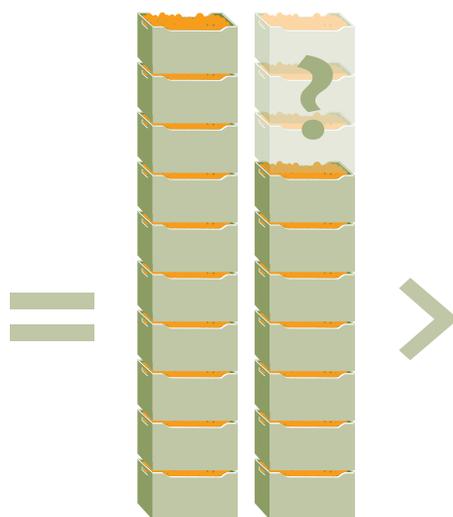
4 Cf. United States Department of Agriculture, The Foreign Agricultural Service, Gain Report No. BR17004, 2017 https://gain.fas.usda.gov/Recent%20GAIN%20Publications/Citrus%20Semi-annual_Sao%20Paulo%20ATO_Brazil_6-9-2017.pdf: p. 2 (access: 5 March 2018).

5 Cf. Borges, Claudia / Costa, Vera: A Evolução do Agronegócio Citrícola Paulista e o Perfil da Intervenção do Estado. Revista Uniara, n. 17/18, 2005/2006: p. 101-102. <http://www.revistarebram.com/index.php/revistauniara/article/view/270> (access: 6 March 2018).

6 Cf. Neves, Marcos/ Trombin, Gustavo et al, 2011.: p. 10.



The pickers collect oranges in these large bags.
Photo: CIR



According to the workers a large bag contains 20 crates of oranges of 40.8 kg (see right). The responsible supervisor, however, only estimates about 17–18 crates.

ready increased to 475 crates.⁷ A calculation for the fiscal year of 2017/2018 using data of the U.S. Department of Agriculture yields a figure of 781 crates per hectare, for the region of São Paulo even 905 crates. This is, however, primarily due to a higher tree density. The yield per tree depends in particular on climatic conditions and varies considerably. Between 1988/89 and 2009/10, this figure ranged between 69 kg and 124 kg per tree for the region of São Paulo.⁸ This figure is estimated to be 85 kg per tree in 2017/2018.⁹

THE PRICE FOR ORANGES

The oranges are sold in crates of 40.8 kg each. Orange producers generally yield lower prices when selling to the juice industry than for sales to the domestic market. A good third of the oranges processed in the juice industry are grown on company-owned plantations. Another third is supplied by contract farmers,

usually at fixed prices. The remaining third is purchased on the open market, usually at lower prices.¹⁰

The price volatility for orange juice is very high, world market prices for concentrate (FCOJ) can fluctuate considerably depending on the annual production quantity and on stocks. Between January 2001 and July 2007 alone, the price that was paid in Europe for a tonne of FCOJ rose from \$712 (579 euros)¹¹ to \$2,230 (1,813 euros).¹² Currently, the price per tonne ranges between 2,100 and 2,400 US dollars (1,707 and 1,951 euros).¹³ May 2011 showed a significant drop in price after two good years of production, during

7 cf. *ibid.*: p. 46.

8 cf. *ibid.*: p. 60.

9 Cf. United States Department of Agriculture, The Foreign Agricultural Service, Gain Report No. BR17004, 2017, p. 3.

10 Cf. Neves, Marcos/ Trombin, Gustavo et. al.: Food and Fuel – The example of Brazil, 2011: p. 109.

11 1 euro = 1.23 dollar exchange rate on 12 March 2018 for the entire study: <https://www.finanzen.net/devisen/dollarkurs> (access: 12 March 2018).

12 Cf. Neves, Marcos/ Trombin, Gustavo/Kalaki, Rafael: Competitiveness of the orange juice chain in Brazil. International Food and Agribusiness Management Review, Volume 16, Special Issue 4, 2013: p. 151. <https://www.ifama.org/resources/Documents/v16i4/Neves-Trombin-Kalaki.pdf> (access: 6 March 2018).

13 Cf. Neves, Marcos Coopercitrus, Revista July 2017, p. 14 (<http://www.coopercitrus.com.br/index.php?pag=revista&p=home&edicao=369>, (access: 06.03.2018) / CBI - Centre for the Promotion of Imports from developing countries from the Ministry of Foreign Affairs (Netherlands) <https://www.cbi.eu/market-information/processed-fruit-vegetables-edible-nuts/citrus-juices/> (access: 6 March 2018).

Production cost of oranges

Average production costs per box
à 40.8 kg on own plantations

	real	euros*
Wages, operating expenditures, protective clothing, temporary work	2.65	0.68
Pesticides, herbicides + fertilizer (organic, mineral, soil additives)	3.54	0.91
Maintenance measures and other costs	0.70	0.18
Total cost for the trees	6.89	1.78
Harvest (wages, operating expenditures, protective clothing, temporary work)	3.00	0,78
Transportation to the factory, taxes	2.04	0.53
Consulting	0.23	0.06
Total costs (to the factory)	12.16	3.14

* In this study, we refer to employ the exchange rate of December 2017 1 EUR = 3.87 real <https://www.finanzen.net/devisen/euro-real-kurs/historisch> (access: 07 March 2018).

which time stocks also increased significantly. The result was a massive orange surplus. The industry not only had a share of 40% own production, but also additional oranges in stock. The juice manufacturers did not take purchase all the farmers' oranges, meaning that they had to throw away nearly half of the harvest or give them away to schools. The processing industry generally doesn't own its own plantations when it comes to other commodities such as coffee or cocoa. Therefore, unlike in the orange business, there is no risk of undercutting farmers' production with their own production.

Before the harvest in 2011, LDC had already negotiated a purchase price of about three euros per crate. However, as the world market price fell below this margin, LDC used a trick. Upon delivery of oranges, LDC complained about their quality. The quality is determined on the basis of the acid content in the juice. If a certain degree of acidity is exceeded, price reductions can be requested. LDC withheld 10 percent of the price in this manner. More than 300 suppliers were af-

ected by this penalty payment.¹⁴ LDC was convicted of making false statements about the quality of the fruit.

The production cost for a crate of oranges was 3.14 euros in the 2014/15 season. This was the figure calculated by the association of citrus farmers in Brazil (Associtrus), on the basis of a stocking density of 400 trees per hectare. Pesticides, herbicides and fertilizers are used on a large scale. They are the biggest cost factor in production and amount to almost one-third of the total cost. Since smaller manufacturers find themselves in a worse negotiating position than the major players in the juice industry, they are forced to bear higher costs for individual input factors. The pressure to constantly increase productivity while at the same time complying with existing labour and social standards has resulted in a significant concentration within the production of oranges in recent years: The share of the large scale producers has increased. Although nearly 90 percent of active operations are farmed by small manufacturers, they only own about one-fifth of the trees. In the 80s

¹⁴ Cf. Notícias Agrícolas: Entrevista com Fábio Mesquita Ribeiro, 11.05.2012. <https://www.youtube.com/watch?v=1cTLKN50WR8> (access: 6 March 2018).

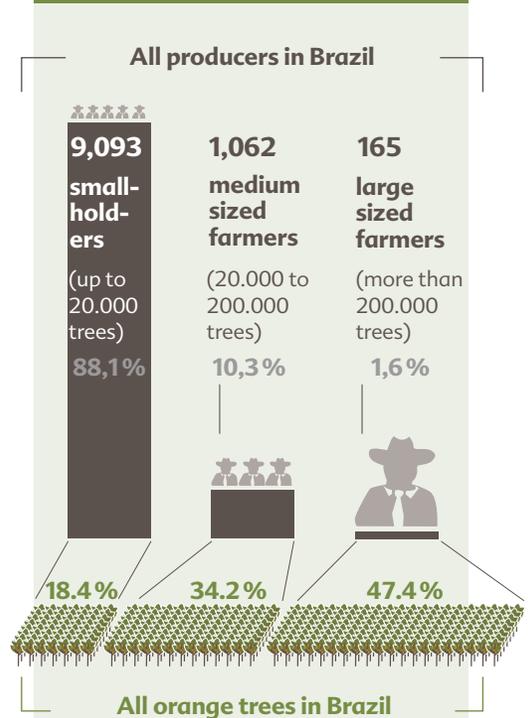


and 90s there were still five million farmers. In 1995, however, there were only 35,879 operations left.

Sometimes, smallholders who sell fruit to the industry have to wait ten days for a truck and then wait another three days in front of the factory gates before the fruits are accepted. If there are complaints about the goods, a discount of ten percent is demanded, otherwise the price is renegotiated or set. For smallholders, this is an unequal balance of power, the lack of transparency and the low price are the key issues on the market. As described, the juice factories like to use oranges from their own production as a means of pressure to keep prices low. Alone between 2013 and 2016, the area directly managed by Cutrale grew by 20 percent. At the same time, the purchase of oranges from independent producers went down by 38.5 percent. Louis Dreyfus increased their own production by ten percent between 2013 and 2016, while the purchase from third parties went down by 23,5 percent.¹⁵

Breakdown of orange farmers according to the number of trees

(1. Half-year period 2016*)



* Cf. Coordenadoria de Defesa Agropecuária do Estado de São Paulo, gathered data of citrus crops of the state São Paulo <https://www.defesa.agricultura.sp.gov.br/www/gdsv/index.php?action=dadosCitriculturaPaulista> (access: 6 March 2018).

¹⁵ This data was collected in 2017 by a parliamentary investigatory commission (Parliament of the state of São Paulo), which was asked by the regional parliament to investigate the formation of cartels in this sector. Although Citrusuco's methods were investigated by the parliamentary investigatory commission, the company did not respond to their questions about the size of their own production and volume of purchases from suppliers. Cf. Final report of the investigation commission Alesp <http://www.al.sp.gov.br/repositorio/arquivoWeb/com/com4932.pdf> (access: 6 March 2018).

JUICE CARTEL PUNISHED

In November 2016, the Brazilian Federal Cartel Authority (Conselho Administrativo de Defesa Econômica – CADE) signed an agreement with large orange manufacturers in the country, setting a penalty payment amounting to 301 million real (around 84 million euros) for the formation of cartels in the purchase of oranges. This agreement on the penalty payment was signed inter alia by the companies Cutrale, Citrosuco and Coinbra – today part of Louis Dreyfus in Brazil.¹⁶

The companies admitted their involvement in the investigated cartelisation, promised to halt this practice, and, according to the cartel authorities, participated actively in establishing the facts. The investigation began in 1999 and was the cartel authorities' most protracted case. There were several legal disputes over the course of the investigation; the industry challenged the law governing the house and company searches conducted within the scope of the so-called "Operation Fanta" in 2006 and, in doing so, tried to overturn the respective search warrants.

The final report of the parliamentary investigatory commission employed by the regional parliament of São Paulo (ALESP) highlighted the fact that there are persistent indications of the continued existence of this cartel.

In addition, it claimed that the process of verticalisation and the process of driving small and medium-sized producers out of

the market was ongoing.¹⁷ Since 2012, the creation of a co-determined body – Consecitrus – was discussed, which would provide the companies involved in the entire value chain of orange production and processing with a discussion and exchange forum.

In June 2015, orange producers proposed a standard rate to the industry, which would entitle the orange juice companies to process 40 percent of their own oranges and commit them to sourcing the remaining 60 percent from independent producers. The industry rejected the proposal. In September 2017, the cartel authority decided to disband the body

since no agreement could be reached between the producers and the industry.¹⁸

The Brazilian Association of Citrus Producers (Associação Brasileira de Citricultores - Associtrus) also criticized the authority's agreement with the juice industry: The imposed penalty amount was merely the equivalent

of the companies' turnover in one week. "This penalty is extremely low. There is every indication that this cartel continues to exist and continues to get away with acting just as they have been doing for more than 40 years," said the President of the Association, Flávio VIEGAS.¹⁹ The cartel not only suspected of having exerted a huge influence on the purchase price. The resulting pressure on the producers also increased and was passed on to the contracted workers. Viegas stated that independent producers did not receive well-formulated plans



16 Cf. Cartel authority CADE, Conselho Administrativo de Defesa Econômica "Cade celebra acordos em investigação de cartel de compra de laranjas" <http://www.cade.gov.br/noticias/cade-celebra-acordos-em-investigacao-de-cartel-de-compra-de-laranjas> (access: 6 March 2018).

17 Cf. Final report of the investigation commission ALESP.

18 Cf. Revista Globo rural, "Cade reprova Formação do Consecitrus" <http://revistagloborural.globo.com/Noticias/Agricultura/Laranja/noticia/2017/09/cade-reprova-formacao-do-consecitrus.html> (access: 6 March 2018).

19 Cf. Online magazine Jota: OS erros de Cálculo do CADE no cartel do suco de laranja, 2016: <https://jota.info/artigos/os-erros-de-calculo-cade-no-cartel-suco-de-laranja-08122016> (access: 6 March 2018).

for harvesting and delivery from the juice companies. Delivery times and quantities would always be communicated unilaterally and at very short notice, in order to give preference to the fruit of their own plantations. This would even lead to unexpected picking stops for independent producers. As a result, they would lose yield, which would make their production even more expensive.

According to the Associtrus president, this reality also affects the working conditions of small and medium-sized Fazendas (plantations):

► **Competition for workers:** Since the industry first processes their own fruits in the factories, they start their harvest earlier. As a result, they are the first to look for harvest workers and are accused of depriving the market of workers.

► **Longer harvest time:** The industry owns more plantations and larger areas of land. This results in a longer harvesting time, which can take up to eight months. The small and medium-sized producers harvest over a shorter period of time. Since they offer fewer working hours, they are also less attractive to workers.

► **Harvest interruptions:** The industry forces a flexible system when purchasing from third parties and when delivering goods. They thus cause disruptions in the harvest and the work. This harms not only the producers, but also the workers because their pay depends largely on their own productivity.

These fluctuations promote the informality of the sector, meaning that workers are hired only on demand and increasingly as day labourers.

„You have a supply contract, but are not allowed to unload the oranges,” explains Flávio VIEGAS. “This means that you have to interrupt the harvest more often and all the workers stop picking. It is clear that us smaller producers as a result offer worse working conditions than the industry.

The pickers themselves often do not want to work with regulated work papers, but we are obligated to register them.“

WORKING AT THE SUPPLIER

Repórter Brasil has interviewed orange pickers, who have worked on smaller plantations. The workers could not say with certainty who the customers of the fruits from these plantations were. But they confirmed that the fruit from at least one fazenda was delivered to a juice factory in Bebedouro (São Paulo). The crop pickers explained that the work on the plantation was carried out without work papers and that they were paid per day. There was no protective clothing, fresh water was not provided. The daily working hours regularly exceeded ten hours, and the weekly day of rest on Sunday was not observed. One worker also reported that any absences were not tolerated, not even in the case of illness or accidents. Crop pickers on another supplier plantation told of similar conditions: informal work, no provision of protective clothing and a working week often without free Saturdays and Sundays.



Photo: André Campos

» That is why there are snakes all the time.»

I picked oranges at the plantation until the end of 2015. Everything is in a state of utter disarray there. There are no regulated working papers - nothing of the sort. You get paid for your job and that's it. The harvest lasts two months and you work from Sunday to Sunday. No day off. The truck picks up the oranges and you have to commit to deliver their harvest. They then take the oranges to Bebedouro (São Paulo), to squeeze out the juice. You can earn 100 real a day this way (around 26 euros), here there are hardly any better jobs. But you're killing yourself and you have no security.*

The owner of the farm is a very strict guy. He demands productivity and does not accept any dawdling. When it was raining we had to work in the orchards soaking wet. You're swimming like in a soup. And if you get sick, he calls you and asks you to come to work. I worked several times despite running a temperature.

I have already gotten injured myself several times. To get to the fruits on higher trees we set a ladder against the trunk to pick the fruits. It is really dangerous if you fall down. And then these thorns. Once such a thorn from a tree branch pricked my arm and severed a vein. It wouldn't stop bleeding, so I took the shirt and made an emergency bandage. That was at 01.00 pm. I carried on working until 05.00 pm, only then did I go to the hospital. I had nine stitches and only missed one day of work because if you don't come to work they threaten to put someone else in your place. That's how they force you – it really seems reminiscent like a thing from the times of slavery.

Something else that was really bad is that the orange grove is full of weeds. That is why there are snakes all the time. Luckily, nothing has happened yet. But nobody gives you any protective clothing. At least shin guards against the snakes, gloves, arm guards, something like this should be available... There are no goggles, so you run the danger that a thorn gets straight into you eye.

Farmhand, 22 years old, on the orange grove of a small producer.

* In this study, we refer to the exchange rate of December 2017 EUR = 1/3.87 real <https://www.finanzen.net/devisen/euro-real-kurs/historisch> (access: 07 March 2018).

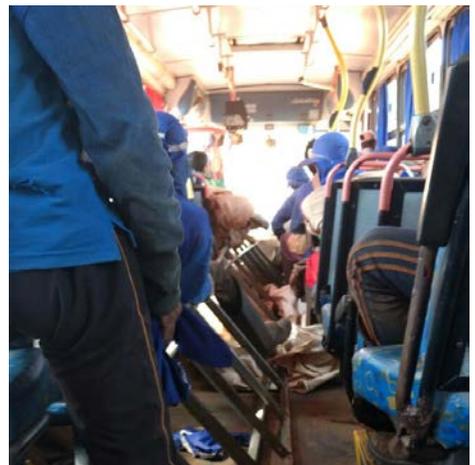
STRIKE AT THE SUPPLIER

The company of Agrotórenas is one of the largest, independent Brazilian orange suppliers. The company has 3.7 million orange trees over an area of 7,350 hectares with plantations in three municipalities in the state of São Paulo. The company sells both whole fruits and oranges for juice production. According to information provided by workers and union representatives — Citrosuco (p. 35) is one of the customers.

In October 2017, dozens of orange pickers on the fazenda Guaco in Santa Cruz do Rio Pardo (São Paulo) under contract at Agrotórenas went on strike. Their goal was to protest against pay for the

picked oranges, against the working conditions and the situation in the company accommodation. The pickers participating in the strike are migrants from north-eastern states, especially from Paraíba, who were recruited in their hometowns by recruiters. According to their statements, the reality they encountered upon their arrival in São Paulo did not match what they had been promised.

One of their main complaints was about the monthly cost of food and accommodation of more than 200 real (52 euros), which was deducted directly from their wages. They were also angry about the wages they were paid out for the picked oranges. They accused the company of fraudulent calculation for the delivered goods. This scam would significantly reduce the piecework wage of crop pickers.



Agroterenas denies these accusations: “The payments made to the employees are perfectly in line with the applicable legislation. All workers of Agroterenas receive a wage that is above the legal minimum for the state of São Paulo”, says the company in a statement on the present study. Repórter Brasil was able to see the wage slip of some harvesters and was able to ascertain that in some cases the monthly salary was below the statutory minimum wage after the deduction of all expenses.

Some workers stated that complaints were punished by the company with blocking periods. Those who had dared to criticize the work conditions, were excluded from the harvest for a few days. As a result, they lost their piecework bonuses, which make up the bulk of the wage. The company commented on

this allegation as follows: “This is absurd. The rules for remuneration according to productivity will be discussed in detail with the staff and follow the principles of ethics and transparency, which are fundamental in all relationships, above all in working relationships. Agroterenas S/A Citrus does not tolerate any practice of retribution under any circumstances, no matter from which hierarchical position. In other words, if a worker can provide evidence to prove such a hypothetical case, the company will take appropriate swift action, including the immediate dismissal of the superiors.”

The workers also speak of working days beyond the statutory maximum, without the legally mandated overtime being paid. At 03.20 pm., an employee col-



Top row, from left: Striking workers outside their accommodation; exterior wall of accommodation; interior of accommodation; sleeping room. Photos: André Campos

Bottom row, from left: Police officers on the fazenda Guacho during the strike, workers in company bus; Agroterenas’ workers during harvest. Photos provided by a worker



It was not worth me coming here.»

I came from the state of Paraíba to São Paulo to pick oranges. I work on a plantation, which belongs to Agroterenas. I borrowed money in my hometown, to pay for the trip.

The company hired barracks for the workers. Shortly after 5 am, the company bus picks us up and, we arrive at the fazenda at around 6.30. The harvest lasts until late afternoon. At 03:20 p.m., they take our time cards and clock us out at the time clock to document the end of the working day.

But we have to continue work until late afternoon or evening. And this continues from Monday to Saturday and we also work on holidays. But not on Sundays.

I arrived here two months ago and to date I have only received the cheque for the first 15 days, i.e. 433 real (around 112 euros). I didn't get the rest of the wages for August and September. I have a large family. I have to raise six children, the oldest is 18. My wife and my children are dependent on what I earn. Since I got no wages, my colleagues (other orange pickers) have lent me money, so that I can send it home.

Now I owe my colleagues money - and the one who lent me the money for the trip. He takes an interest rate of 10 percent per month. We had agreed that I would pay it as soon as I get my first wages. I had to ask my wife to talk to him and tell him that my wages are paid later. I hope that I can pay everything when I get paid.

At home, we need the money from the "Bolsa Família"-social program. My wife receives 300 real from the government (78

euros) to feed seven people. This is very little. But where I come from, there's the Sertão (editor's note: the semi desert). Now with this drought, there is no work there.

I pick a maximum of four large sacks per day. And for each of my big bags, the foreman only document a maximum of 16 crates with 40.8 kilos each. They do not do the weighing properly. Everyone is complaining about their measuring. Everyone says that at least 20 crates fit into the big bags.

It was not worth me coming here. They promise one thing and don't keep it.

They promise that you will make money, that the accommodation will cost nothing, that everything is at the expense of the company...

But then when you get here, everything is quite different, isn't it?

Worker who was contracted by Agroterenas for picking oranges during the harvest season 2017/2018.



So he fired me...»

I was born in Paraíba, but went to São Paulo to work for Agroterenas. I work as a tractor driver for Agroterenas, but also put together the mixture of agrototoxin and take care of the tractor maintenance. To mix the poison, they give you a mask made of cotton and thin gloves that quickly tear. And if you ask a new pair because your gloves have just torn again, you get none. Because they need to last for at least three, four days before they are replaced. It is the same for the mask. On the packaging it states that they should be changed daily, but we use them for several days.

We go out onto the field just after you they have sprayed, and there are still all the residues. There's a pungent odour that gives us headaches. They often spray a neighbouring field, and we are directly next to it and get covered by these poison clouds. I've already asked to work in protective clothing but they refused. They said that it was too expensive to wash them. Those who have working there for some time, complain of headaches and skin irritation quite a bit.

We work a lot. If there is a dry season, then we have to work early in the morning. From midnight until 10:00 am the following day. They prefer to spray agrototoxins at night to keep evaporation to a minimum. So they have come an agreement with the local union so they agree to it.

The unions only see it from the company's point of view. We also work on Saturdays... There was one month when I did 54 hours of overtime. You have no choice. You have to do it. We bring food from home which we eat on the tractor, all full of this poison...

We even have to bring our water. At around 04:00 p.m., the water boils but we have to drink it, we have no choice.

One day there was a meeting with the farm manager, and at the end I raised my hand and said that I work with a hedge clipper, which is more dangerous than others, and it has a different operation than the previous one, which was also entered into my work card is when I was hired.

They promised they would update my papers accordingly, and I asked for that once more.

The manager asked me to stay after the meeting. And when everyone had gone, he came to me and was very angry.

He said: "How can you say that in front of all the people? You should have told just me. You're no good in my eyes. Take your cart and go off to the main house and get your papers done". So he fired me.

There is no other work here in this area. The mothers and fathers who have a family, are forced to stay there. The only reason it doesn't count as slave labour is the simple reason that they pay you this small change at the end of the month.

**23-year old former employee of Agrote-
renas.**

lected the workers' time cards and clocked them out at Agrotórenas' time clocks in order to simulate the end of the working day. Work continued, however. Despite fatigue, the workers saw this as an opportunity to increase their wages by increasing their productivity. The company management also disputes employing this fraudulent practice.

According to the farm workers' union of Bauru, approximately 250 workers took part in the strike at the start. Agrotórenas called the police on the day when the strike began. The police presence on the fazenda was meant to intimidate the striking workers. The majority of the pickers continued/resumed work when they were assured during negotiations that the piecework bonus would be increased. However, about 40 workers continued the strike.

"The workers are being coerced into signing the contract quickly - shortly before getting on the bus - and driving to the harvest. Once they arrive here, everything is very different than previously agreed. They harvest oranges in the rain, the oranges are not properly weighed, there's no transparency at all, and what they are getting is barely enough to feed their families", explains José Paschoal Alves, head of the farm workers' trade union of Bauru (São Paulo), who has documented the workers' complaints.

NEW LAWS

In July 2017, the Brazilian National Congress passed a comprehensive reform of labour legislation in the country. These changes affect employees from many sectors, among them farm workers. The new law came into effect in November 2017.

Some of the key issues affecting the life of orange pickers and other harvest helpers are as follows:

► **Travel time to the job site:** According to old labour legislation, applicable until November 2017 the journey time to the job site qualified as working time if the vehicle was provided by the employer, because the farm was in a remote location.. Since November, employers can decide whether travel time qualifies as working time as they see fit. The farm workers' union in Paulistânia (São Paulo), the catchment area for several plantations, estimates that around eight thousand workers in the region have an average daily commute of two hours with the company buses. If they are henceforth no longer paid for these hours, their monthly wage will be reduced by up to 170 real (approximately 44 euros). "This amount seems low but will be felt very sorely by the workers", says the trade union's president, Abílio Penteado da Silva.

► **Remuneration according to productivity:** Payment according to harvesting or picking quantity forms the basis of the wages for many farm workers, i.e. also the orange pickers. The wages achieved on a productivity basis may be greatly affected by the reform, as "premiums and bonuses" and additional charges shall

no longer form part of their income.

This means in practice that any premium as a result of piecework output can be paid out as a simple bonus – separate from the wage. For example, if a farm worker, factoring in the applicable basic rate for the sector and the personal productivity, was earning 1,600 real (413 euros), their payslip will henceforth only show 1,100 real (284 euros). While they receive an additional piecework bonus of 500 real (129 euros), the 500 real are not factored into the labour and social security insurance – which means: The social security of farm workers becomes significantly more precarious due to this provision.

- ▶ **Statutory minimum wage:** The payment of the statutory minimum wage is threatened by the new rules in several respects. For one, permanent employment contracts can now be replaced now by term contracts, meaning that workers are on standby and only paid for hours worked. According to the adopted legal text, the minimum payment per working day corresponds to a minimum daily rate calculated from the months down to the day. In other words: Employees who have not worked enough over the course of a month, for example due to illness, may in some cases receive less than the statutory minimum wage at the end of the month. Orange workers of small or medium-sized producers are one of the professions most affected. Since they depend on the industry's flexible delivery plans, they are often affected by harvest interruptions and thus de facto loss wage losses.

- ▶ **Outsourcing to third-party companies:** Brazil's field work concentrates the worst forms of worker exploitation: Between 1995 and 2015, 50,000 workers were released from enforced working conditions akin to slavery, 88 percent of them were farm workers. Employment agencies are involved in the majority of cases, so-called "gatos". In 2017, a law was passed that permitted the employment through third-party companies for any type of work. In practice, this law allows these "gatos" to legally contract workers and to offer themselves to plantations as a service provider. The reform prevents contractors from being prosecuted for violations of labour law by these service providers. In future, farmers and agricultural companies can no longer be held responsible for cases of slave labour.

- ▶ **Working hours:** The new law allows for more flexible working hours, permitting up to twelve hours work a day if the hours are paid. It also envisages a reduction of time for breaks. People interviewed for this report told Repórter Brasil that they were already feeling a strong impact of the labour law reform, even though the new laws had not yet come into effect at the time of the conversations: "They are forcing us to do overtime. They come to us and say this new legislation has already been passed and that we have to work four hours of overtime from now on. They now want to get this done all in one go", an employee of Agrotêrinas reported in October 2017.

“GREENING” DISEASE

The citrus greening disease (Chinese: 黃龍病 pinyin: huánglóngbìng; literally: „Yellow Dragon disease“), abbreviated as HLB, is a disease affecting citrus fruit, which is triggered by a vector-borne bacterium, *Candidatus Liberibacter spp.* The disease is transmitted by the Asian citrus aphid, *Diuraphis citri* Kuwayama and African citrus aphid, *Triozia erythraea* del Guercio, also known as the common citrus aphid.

The disease was described for the first time in 1929, and occurred in China for the first time in 1943. The African variant was first mentioned in South Africa in 1947, where it is still widespread. Originally the Asian Citrus aphid (*Diuraphis citri*) only appeared in tropical and subtropical areas of Asia, but since 2005 at the latest it has also been mentioned in Brazil and Florida along with the first occurrence of the „green sickness“ in these countries. „Green disease“ is the most devastating of all citrus diseases in Brazil: according to estimates by Fundecitrus, around 14 percent of citrus fruits in the state of São Paulo are affected. 100 percent of all orchards are infected with the HLB bacteria, which affects 70 percent of the trees.*

To protect the sensitive young plants, seedlings in São Paulo are grown in nurseries behind insect screens - a strategy that was already used a year before the first occurrence of HLB and thus helped to control the initial spread of the disease. Farmers on commercial plantations use insecticides to control the population. Fundecitrus has offered help to private or biological orchards: Here, parasitic wasp *tamarixia radiata* is used to combat the disease-carrying lice.

* Cf. <http://www.fundecitrus.com.br/doencas/greening/10> (access: 19 March 2018).



Above: When the Asian citrus psyllid sucks the plant juices of an infected citrus tree, it ingests the bacteria. If it infests the next tree, it transfers the pathogen to the nutrient pathways of the plants.

Middle/bottom: Sugar and amino acids from the leaves travel through the nutrient pathways into the storage tissues and to the fruits. The infection restricts this nutrient flow. The oranges no longer grow and mature. They turn green and the leaves become yellow. After a few years, the plant is so undernourished that it finally perishes.

Photos: (top) David Hall, (middle) Tim Gottwald, (bottom) Marco Pitino, all USDA Agricultural Research Service

WORLD CHAMPION IN AGROTOXINS

Orange farmers and smallholders have in recent years been confronted with new pests and diseases that endanger the stocks and affect the harvest. A disease called “Greening” has been particularly devastating (see left). It is considered to be very difficult to control, spreads rapidly and causes enormous damage. To reduce the risks of intensive cultivation, more and more pesticides, fungicides and insecticides are being applied and artificial fertilizers are used on a huge scale, which caused an increase in the production costs in past years: The expenditure for fertilizers and agrochemicals currently make up about 23 percent of the production costs in agriculture.²⁰ Oranges are the culture with the highest use of pesticides in Brazil.²¹

Since 2008, Brazil has been the largest user of agricultural chemicals in the world. About 20 percent of all agricultural chemicals are purchased in Brazil. 7 companies control roughly two-thirds of the pesticide market in the country (Chemchina including Syngenta, Bayer, BASF, FMC, DownDuPont, Monsanto, Iharabras).²² More than 25,000 pesticide poisonings were reported to the Brazilian Health ministry between 2008 and 2014. This corresponds to an average of 3,125 poisonings per year or eight poisonings per day. Unofficial estimates run much higher. The official figure probably covers only two percent of actual cases. On average, 148 died every year from the effects of people poisoning. Or in other words: Every two and a half days there is a fatality as a result of agrochemicals in Brazilian agriculture. 33 of the 116 agrochemicals that are approved for grow-

20 Cf. Neves, Marcos/ Trombin, Gustavo/ Kalaki, Rafael, 2013: p. 153.

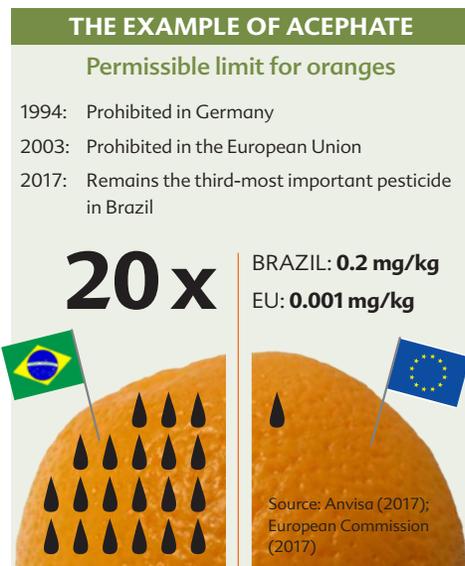
21 Cf. Neves, Marcos Fava: An Overview of the Brazilian Citriculture 2009.

22 Cf. Brazilian Journal of Innovation: A (des) Coordenação de Políticas para a Indústria de agrotóxicos of no Brasil, 2015: <https://periodicos.sbu.unicamp.br/ojs/index.php/rbi/article/view/8649104> (access: 08 March 2018).

ing oranges in Brazil are prohibited in the European Union. Two years ago, it was 17. As a result, the number of pesticides that are prohibited in the EU but permitted in Brazil has almost doubled from 2015 to 2017.

The contamination not only directly affects farm workers in Brazil. It also affects the majority of people who live in the vicinity of the acreage. The spraying of pesticides by aircraft is still permitted. In the main area of cultivation, the state of São Paulo, spraying from the air is the second most common application method of pesticides. The permitted limits for pesticide residues on foods or in the water are much higher in Brazil than in the European Union. One example is acephate (see chart below). It is the third most important pesticides in Brazil. Since 1994, it is no longer permitted in Germany. Since 2003, its use in the European Union is prohibited. In Brazil, twenty times higher residues of acephate may be found on oranges than in the European Union.

Another example is Brazil’s best-selling pesticide – glyphosate. The permissible residues of glyphosate in Brazilian drinking water are 5,000 times higher than in the European



Union. Not only Brazilian farmworkers who are directly affected by agrochemicals, but also indirectly the consumers in Brazil, and in turn consumers in the EU as well. but also in the EU.²³

In November 2016, the national health surveillance agency (Agência Nacional de Vigilância Sanitária - Anvisa) published an analysis of 25 popular fruit, grain and vegetables that are sold in Brazilian supermarkets (see table). Orange had the highest residues of highly hazardous agrotoxins.²⁴ Between 2013

23 Cf. Bombardi, Larissa: Ecological hotspots - World champion in the consumption of agricultural chemicals, in: Der Wandel, special supplement of the food magazine 47/2017: p. 8.
24 Cf. Anvisa, "Relatório the análises de amostras monitoradas no período de 2013 a 2015": http://portal.anvisa.gov.br/documents/111215/0/Relat%C3%B3rio+PARA+2013-2015_VERS%C3%83O-FINAL.pdf/494cd7c5-5408-4e6a-b0e5-5098cbf759f8 (access: 08 February 2018).

and 2015, 744 orange samples that had been bought in supermarkets of all Brazilian State capitals were tested. 90 samples (12 percent) posed a health hazard. Some samples were burdened to such an extent that poisoning can occur within 24 hours after ingestion of the residues on the fruit.²⁵

The agricultural poison, carbofuran causes concern due to its acute health hazard. It was found in all samples. The use of the product is currently being examined by the National Health Agency (ANVISA) due to its toxicity. In addition to carbofuran, residues traces of Bifenthrin and Cypermethrin were also found in concentrations above the officially permitted limits.²⁶

25 loc. cit.

26 loc. cit.

Toxin analysis of popular foods in Brazilian supermarkets²⁴

Food	Number of samples analysed	Number of samples with acute risk potential	Percentage of samples with acute risk potential
Oranges	744	90	12.10 %
Pineapples	240	12	5.00 %
Cabbage	228	6	2.60 %
Grape	224	5	2.20 %
Lettuce	448	6	1.30 %
Papaya	722	6	0.80 %
Strawberry	157	1	0.60 %
Mango	219	1	0.50 %
Pepper	487	2	0.40 %
Beans	764	2	0.30 %
Goiaba	406	1	0.20 %
White cabbage	491	1	0.20 %
Apple	764	1	0.10 %
Others*	6,157	0	-
Total	12,051	134	1.11 %

* Rice, corn, grain (flour), banana, beetroot, onion, carrot, cassava (flour)

BEE DEATHS

Brazil is home to more than 3,000 types of bees.²⁷ In addition to the honey bee, which was introduced by European settlers, different various kinds species of stingless bees have traditionally been used for honey production for at least 1,500 years. Although some of Brazil's most important export goods such as soy and sugar are not reliant upon pollination by insects, oranges and other fruits are dependent on it. The extensive use of pesticides in the Brazilian agriculture, in combination with an increasing loss of habitat, has extremely negative effects on the bees in Brazil.

To combat the disease carrier "Green disease", the Asian Citrus aphid, enormous amounts of pesticides from the group of neonicotinoids were sprayed up to twelve times per year. Professor Osman Malaspina from the institute of social insects of

27 Cf. <http://www.semabelhasemalimento.com.br/home/perguntas-frequentes/?lang=en> (access: 19 March 2018).

the State University of São Paulo says: “We don not know what long-term effects this extensive use of pesticides will have. We are very concerned, but we have not had enough opportunity to influence the regulations.” His institute examines orange plantations to explore the effects of pesticides on the population of wild bees in adjacent habitats.

Since 2008, bee deaths in several states in Brazil (Colony Collapse Disorder / CCD) has occurred with honeybees. However, for some time now, cases of bee deaths has been documented amongst the native, stingless bees (meliponíneos) in the state of São Paulo. According to Professor Osmar Malaspina, one of the first cases of bee deaths in Brazil occurred in Brotas, São Paulo, where a beekeeper lost more than 200 African bee colonies on an orange plantation after the pesticide thiomethoxam was sprayed. In the municipality of Rio Claro alone, there was a documented loss of 10,000 hives due to insecticides between 2008 and 2010.²⁸ The Brazilian beekeepers’ association has already publicly expressed its concerns about the use of neonicotinoids – unfortunately until now without success.

28 Cf. França, M. S. J. O sumiço das abelhas, Unesp Ciência, v.34, 2012.

Table: Problematic substances that are approved for integrated orange production in Brazil. Some of the substances are not allowed in the EU, many are subject to significant restrictions on their use.

Source: CitrusBR

Substance	Note on toxicity
Abamectin	highly toxic for birds, fish, aquatic organisms, toxic to reproduction (EU cat. 2)
Beta-cyfluthrin	neurotoxicity, on WHO list of highly dangerous pesticides (1B)
Chlorpyrifos	highly toxic for birds, fish, aquatic organisms, neurotoxic, toxic to reproduction
Cypermethrin	highly toxic for aquatic organisms
Dimethoate	toxic for reproduction
Spinetoram	toxic for reproduction
Spirodiclofen	Suspected to be: carcinogenic, toxic to reproduction, and neurotoxicity
Etofenprox	toxic for reproduction
Fenpyroximate	toxic for reproduction
Flufenoxuron	Not permitted in the EU: lactation toxicity: Can cause damage to newborns.
Phosmet	toxic to reproduction, neuro-toxic, highly toxic for bees and birds
Hexythiazox	carcinogenic (suspected)
Imidacloprid	toxic for reproduction, highly toxic for bees and birds
Malathion	neurotoxicity
Imazalil *	toxic for reproduction
Tebuconazole	toxic for reproduction
Thiamethoxam	highly toxic for bees
Trifloxystrobin	toxic for reproduction
Diquat dibromide	fatal if inhaled, extremely persistent in soil, toxic for birds, fish, bees, earthworms
Paraquat dichloride	Not permitted in the EU: extremely dangerous if inhaled, may be carcinogenic and toxic for reproduction (suspected)
Diuron	carcinogenic (level 2 according to EU standard), toxic for reproduction (suspected)
Glyphosate	carcinogenic according to WHO
Glufosinate-ammonium	toxic for reproduction (level 2 according to EU standard), neuro-toxic
Gibberellic acid	Suspicion of mutagenic effect (BPDB)
Fipronil	highly toxic for bees, birds, aquatic organisms, neuro-toxic (restricted use in the EU)
Bifenthrin	probably carcinogenic, highly toxic for aquatic organisms, not admitted in Austria, Germany and Switzerland



THE PRODUCERS



Photo: Emese Culydás (TVE)

Juice concentrate has been produced in Brazil since 1959. Since the early of 1980s, there has been a high market concentration at this processing stage. The comparatively numerous small and medium-sized orange farmers currently face are competing with only three multinational juice processors: ➤ **Cutrale** (see below), ➤ **Citrosuco** (p. 35) and ➤ **Louis Dreyfus** (p. 41). Nowadays, they control the global orange juice market, have their own tank farms/plants in the export port of Santos in Brazil and maintain their own

cargo terminals (Cutrale in Rotterdam, Louis Dreyfus in Ghent and Citrosuco in Antwerp and Ghent) in the main import ports. They have direct trading relationships with links to European bottling companies. Until the 1990s, there were 17 large enterprises with 25 juice factories, however, one by one they had to surrender under intense price pressure until the last large concentration took place in 2012 with the merger of Citrosuco and Citrovita.



CUTRALE

CUTRALE: Sicilian family business

Since its founding by the Sicilian Guiseppe Cutrale, the family business has been specialised on growing and processing oranges.

Today, Cutrale exports to 90 countries, employs more than 15,000 employees and is responsible for around 30 percent of global orange juice production. To diversify the portfolio of the company, Cutrale has gone into the export of soy to Asia and bought Chiquita together with the Safra banking group. With a fortune of \$ 2.4 billion (about 1.9 billion euro), company director José Luís Cutrale is one of the richest people in Brazil. The company ranks among one of the world's largest monopolies in the food industry.

Since 2000, Cutrale has been under investigation by state authorities for tax evasion. So far, the juice giant is known to have legally deposited profits in the Cayman Islands and thus evaded taxes. Cutrale's clients include multinationals such as Nestlé, ➤ **Coca Cola** (p. 47) und Parmalat.¹

Cutrale pursues an aggressive market strategy. The company has more than

160,000 hectares², on which it grows 40 percent of its oranges. The remaining 60 percent of fruit required for juice production are supplied by independent producers.³ Famers are in a very weak bargaining position due to the company's superior market position.

Dirty list

In 2003, the Brazilian Government created the so-called "dirty list" of slave labour, which evolved into one of the most important tools for combating this crime in the country in the subsequent years. It refers to a register that is updated every six months by the public prosecutor's office.

The Federal Government published this list with all of the details on convicted employers who have forced their workers into slav-

² Cf. Revista Época Negócios: José Cutrale é revelado como bilionário: <https://epocanegocios.globo.com/Inspiração/Carreira/noticia/2015/01/jose-cutrale-e-revelado-como-bilionario.html> (access: 08 March 2018).

³ Cf. Soy e milho: os novos Spanish da Família Cutrale - Brasil Econômico - 15/08/2012: <http://www.edufin.com.br/edunews/noticias-mais-recentes/2012/08/15/soja-e-milho-os-novos-negocios-da-familia-cutrale-brasil-economico-15082012/> (access: 10 April 2018).

¹ Cf. Forbes, Jose Luis Cutrale, <http://www.forbes.com/profile/jose-luis-cutrale-1/> (access: 16 March 2018).

ery or slavery-like conditions. The “dirty list” includes those who have been convicted (of the deed) after controlled governed administrative proceedings, including the right to defence. This process can take months, sometimes years. Once the name is on the list it will remain there for at least two years. If all labour and social security issues are clarified and regulations complied with within this period, the name is removed from the list.

Two years after the establishment of the “dirty list”, the National Pact in Brazil began to combat slave labour.⁴ It is an agreement of Brazilian and multinational companies that have committed themselves to eliminating slave labour in their production chain. Currently, the pact, which is supported by the International Labour Organisation (ILO), has more than 400 signatories. Among them are many of the largest companies in Brazil. The “dirty list” became the main reference for these companies. This is because as a signatory to the pact, companies commit themselves to restrict business relationships with employers who are on the “dirty list”.

Between December 2014 and March 2017, the “dirty list” was not made public upon a ruling made by the Supreme Court of STF. The reason was a legal appeal by the Brazilian Association of Real Estate Project Development, the Associação Brasileira de Incorporadoras Imobiliárias (Abrainc). They represent several companies in the construction sector that were convicted of slave labour. Abrainc questioned the constitutionality of the register. They argued that the approach did not give the accused sufficient right to defence. Moreover, the list should not be based on an inter-ministerial regulation but should be based on a specific law.

The rules and regulations for the publication of the “dirty list” were revised so that the list has again been open to the public since March 2017. According to the current provi-

sions, an employer who signed an agreement with the Federal Public Prosecutor’s Office for work MPT or the Federal Government, and implements a number of compensatory measures, can receive/be given the status “under observation”. This would therefore affect companies who have been convicted of the crime but seek to improve their conduct. If they fulfil the obligations imposed on them by the agreement, they can request the deletion of their entry from the list after one year. Cutrale has also been on the “dirty list” since October 2017 due to a criminal offence in 2013.⁵

Facts of the case: Slave labour⁶

The Public Prosecutor’s Office responsible for labour affairs/Federal Labor Prosecution (MPT) came to a written agreement with Cutrale in 2011, which stipulates the imposition of penalties if the company does not take the workers under contract at the place of residence or contract workers using employment agencies instead as prescribed by the law. Despite this agreement, officials from the Public Prosecutor’s Office had to free 23 workers from inhumane working conditions situation in July 2013 during an audit carried out by them on a farm in the state of Minas Gerais. The farm belongs to Cutrale. The workers were contracted for the orange harvest and came from the north-eastern states. The officials of the Public Prosecutor’s Office found out that the workers had been recruited through middlemen. To conceal this practice, fictitious positions at local companies were entered in the orange pickers’ working papers.

These bogus contracts were completed concluded immediately before the contractual

4 Cf. Web page of “Pacto Nacional pelo Combate ao Trabalho Escravo”: <http://www.inpacto.org.br/pb/>

5 Cf. Dirty list: <http://trabalho.gov.br/component/content/article?id=4428> (access: 6 March 2018). Cf. Backup of Portal globo.com: Cadastro de Empregadores que tenham submetido trabalhadores a Condições análogas à de escravo, http://estatisticog1.globo.com/2017/10/22/lista_suja.pdf (access: 29 March 2018).

6 This information is taken from the investigation report of the audit described in the section by the Ministry of labour.



Evidence from the authority of the Brazilian Ministry of labour (Ministério do Trabalho) on the Fazenda Vale Verde in the Munizip Gomes, Mato Grosso.

Above: The roof of poor accommodation is leaking in many places.

2. Row: The sanitary installations are barely worth the name.

3. Row: The rooms are dirty, there is a lack of furniture for storing personal belongings, mattresses are barely usable.

Below: Workers on the plantation.

Photos: Ministério do trabalho

begin of employment at Cutrale. This was to give the impression that the workers had been contracted only after already having started working in the state of Minas Gerais.

The middlemen charged the workers a fee for providing these fraudulent contracts. The forgery of papers was in fact a precondition for the workers being contracted by Cutrale. Moreover, the workers only learned of this fee when they arrived on the Fazenda. Since most had no financial means to pay this fee, they were caught in a debt trap with the recruitment agency. Having arrived at the place of work and not been paid a wage, the workers became even further indebted. For the catering and accommodation in miserable dwellings - without doors, shattered window panes, a rain-permeable roof with insufficient sanitary facilities in precarious hygienic conditions.

According to the investigation report, the debts made it impossible for the workers to return to their hometowns. They were robbed of their right to freedom of movement. In other words: Slave-like debt bondage. A workday without weekly rest days and working hours was imposed on the workforce that far exceeded the legal maximum scope.

Debt bondage and inhumane working conditions – the latter came to light, for example, through the precarious accommodation - are two of the definitions that are formulated as a slave-like forced relationship in article 149 of the Brazilian Penal Code. The Public Prosecutor's Office has held Cutrale to account for this. The multinational company was promptly forced to terminate the working relationship with the 23 workers who found themselves in this forced situation, pay severance pay and compensation and bear the costs for returning the workers to their hometown.

Violations against labour law⁷

Between 2011 and 2016 alone, the public prosecutor's office reported 482 cases with penalty decisions outcome for labour violations against Cutrale in dozens of operations. Most of the violations of the law concerns problems on the orange plantation. In 35 cases, penalties were imposed by the authorities followings checks of the company's plantations.

The disregard of health and safety regulations for the agricultural workers formed the bulk of the violations identified between 2015 and 2016.⁸ For instance, legally prescribed washrooms and bathrooms close to the harvest area or dining areas with rain cover were lacking. The vehicles for transport were unsuitable for this purpose. It was also found that the company did not provide any adequate safety equipment for the application of agricultural chemicals and that these agents were used by people who had not received the respective training.

As the interviews by Repórter Brasil with the workers shows, the working conditions on the plantations that supply oranges to Cutrale are usually even more precarious due to the economic pressure caused by the juice industry. All respondents are migrants from the northeast of Brazil, who were contracted in the state of São Paulo for the harvest season of 2017/2018. Many of them reported that they also work in Ceará during the sugar cane harvest. They usually work Monday to Friday from 07.00 a.m. to 05.00 p.m. plus one hour for commuting. Key issues that the workers graded according to significance are: incorrectly calibrated scales, sprayed agrottoxins, one-size-fits-all protective gloves, the height of

⁷ The information described in this chapter is based on the evaluation of the archives of the present rulings against the company with the Ministry of labour.

⁸ The rules and regulations for the sector are defined in the regulation of standards Norma Regulamentadora 31: <http://www.guiatrabalhista.com.br/legislacao/nr/nr31.htm> (access: 08 March 2018).



» Not even the minimum wage»

I have been picking oranges for seven years. After work we come home absolutely exhausted. My hand is numb and twitching with cramps. But when the day is over we rest. But then we have to work again. I never had an accident. Only wounds from thorns. One almost every day. And headaches due to the toxins. You always get them on the days when they spray the stuff.

We work pretty hard. The more we produce the more we get paid. Well, we work without a break. What makes you nervous are these scale. You load it with 25 bags and the scale only shows 20. So we lose every day.

And these tree trunks are really really high. The ladders have 15 steps. The weight of the ladder itself is damn heavy. It weighs about 20 kilos. We spend around five to ten minutes at each orange tree and then we move the ladder to the next. Every hour you have to deliver around 20 crates to be paid a bit extra.

There are months when I earn 2,000 real (equivalent to about 520 euros) in other months around 1,700 or 1,800 real (440 or 465 euros). If you complain the guy fires you.

We get 46 centavo per crate (12 cents). But if we manage more than 100 crates a day we get more. But if you have a bad day you only get the 46 centavos per crate. I have not missed a day to date.

There are people who don't even get the minimum wage. Because it works like this: You have to meet the target of more than three large bags a day to get the minimum wage. If you don't meet this target or only manage the three large bags, you don't even get the minimum wage. Then you only get paid 400 real (103 euros), half a month. This is very little. That can't be.

Is it all worth it? Well, that's how it is, isn't it? We have been here so long... We dream of having a better life. A better job. We work quietly. We put up with whatever they do to us, there is no other way. When I go back to Ceará, I go back to the sugar cane fields.

23-year old orange picker at a Cutrale supplier.



» *Once a crop picker, always a crop picker.»*

Three years ago, I came here to pick oranges. I met my wife here. And we have a son. I worked for Citrosuco and now in this company. What bothers me the most? The wage and the agrottoxins they spray without telling us anything about it, and these ladders, this high-hanging fruit. The ladder has 18 steps and is good for nothing. On the first day of work the ladder collapsed beneath me and on the second day I was immediately absent. The pickers who work with me put up with a lot. You see no pride in the workers. The prospects are so limited that the workers get drunk, take drugs, argue and fight. There are no prospects in the company... Once a crop picker, always a crop picker.»

When it rains? You are not allowed to work. But this guy (the supervisor) has his targets. One day, the guy had us work on the field until 05.30 p.m. because we had not met the target due to the rain. Now he says that this isn't slave labour? From the moment of your registration, the company is obliged to pay the statutory minimum wage, even if the worker doesn't meet the targets. But they are just not paying it. They pay less than the statutory minimum wage. I can do about 100, 120 crates a day. You take 30 crates to the large bag and that guys only writes down 18 or 20.

My dream is that my colleagues, that we, who are working our butts off on the orange plantations, that we were more united – a joint trade union. It is no use if only one person raises their voice and says something. There is a lot of disagreement! For fear of losing your job, worried that the family must starve.

If one person complains, there will be 16 others the next morning who are willing to work. That's how it is. They do not see you as a human. They see you as a machine. And if this machine doesn't meet the targets it's broken. It is either repaired or thrown away.

We don't know anything about the agrottoxins they use. There's no regulation whatsoever. You can go to every farmland, every field, every plantation. And even if they spray at night, the toxin is still there. We have skin irritations, allergies. What medication do we take when we feel ill? None! Today's toxin will have no immediate effects. But in 40 years it will show.

Is it all worth it? I'm here to pick oranges because I so desperately need the money. Only my body knows how long I'll cope with it. The pain is everywhere. I'm very tired from all the picking. This tiredness goes from front to back, into the legs ...

40-year old orange picker at a Cutrale supplier.

Some key violations on Cutrale plantations

Legal violations	Year	Location (plantation, district, federal state)
The workers were not granted a weekly day of rest.	2016	Fazenda São Benedito (Capão bonito-SP), Fazenda Santa Maria (Analândia-SP), Fazenda tropical (Tambaú-SP)
The rest period of at least 11 hours between two working days was not granted.	2016	Fazenda Graziela (Ibaté-SP)
Wages and salaries were not paid on the due date.	2015	Fazenda Vale Verde (Comendador Gomes-MG)
The rules for the operation of machines and equipment were not complied with.	2015 and 2016	Fazenda Boa Esperança (Cajobi-SP), Fazenda Campo Grande II (Colombia-SP)
The health and safety regulations for the agricultural workers were not respected.	2015 and 2016	on a total of 16 Fazendas

the orange tree trunks, gloves lacking protection against thorns, the ladders and the weight of the orange bags they have to wear on their shoulders.

Remuneration

The pickers receive the equivalent of 12 cents for a box of around 30 kg of oranges. This price would rise to 15 cents if the workers managed to harvest more than 100 crates a day. According to the workers, the more they pick, the higher they would be paid afterwards per kilo. In other words: There is no fixed price per kilo. According to the workers, each large bag (“bag”) weighs 600 kilos. The company, however, documents only 540 kilos per large bag. The pickers explained that the scales were incorrectly calibrated, so that their harvesting yield became undervalued. If a workers harvests between six and eight large bags per day this makes between 3,600 and 4,800 kilograms. The workers reported that if they met this average they could earn on average between 516 euros and 775 euro per month. However, there were workers, who harvest less.

The workers also reported that they are not obliged to harvest on rainy days. Nevertheless, there was an obligation to be present on the Fazenda the whole working day. For this they would receive a daily rate of 9.30 euros. The majority of the workers stated that because of the low compensation they would prefer to harvest in the rain too, despite the higher risk of accidents.

If a worker is absent without a medical certificate, an amount of around 25 euros is deducted per working day and they lose their accrued bonus per kilo. Workers who have picked more than 100 boxes of oranges thus retroactively lose the higher bonus payments for the entire month and receive only the basic payment of 12 cents per crate.

Health and safety

The majority of the workers questioned complained of back pain, leg and knee pain, aching hands, arms and shoulders. They explained that their pain came from the movements when climbing up and down the high ladders with heavy bags filled with oranges on the shoulders. In addition, they had to keep

bending over and stand up again while unloading the harvest into the large containers (“bags”).

All workers who were queried stated that they had been stung in the hands more than once by the thorns of the orange trees. They claimed that the gloves provided by the company do not protect against the thorns. They also reported that harvesters had been dismissed because their fingers had become stiff due to inflammatory wounds caused by thorns. Such accidents, they said, are in fact normal during the harvest. Other work-related accidents that occur include: Pickers fall off the ladder or trip because of holes in the ground that have been dug by armadillos; they suffer sun strokes or are injured by poisonous animals. Emergency medical care was, however, always available at the plantation.

The pickers reported that the orange trees are constantly sprayed with agROTOXINS, even during the harvest. Although it was not carried out on fields they were harvesting at the time, it was carried out on directly adjacent

areas, sometimes just one metre away from the pickers. The wind carries the agROTOXINS to the workers and causes headaches, fainting, nausea and nosebleeds. They also stated that no information was provided about the substances used, nor about how much and where which substances were being used.

The workers reported that they neither submit legal complaints, nor call for improvements, because they are afraid of being dismissed. Whenever someone made a complaint, the response was always dismissal or the threat of dismissal.

Statement Cutrale

Cutralé did not answer any questions about the inspections that led to its inclusion in the “dirty list” and the company policy in terms of sustainability and social responsibility in their supply chain. The company has also not provided a statement and not commented on the problems.

CITROSUCO: Mammoth with German roots

Citrosuco is the largest export orange juice company in the world. It produces 40 percent of the orange juice produced in Brazil.⁹ The company has five juice locations in Brazil, orange plantations in Florida, two port terminals in Brazil, five more abroad and its own fleet of ships. More than 6,000 employees are employed by Citrosuco, during harvest time, this number even rises to 10,000. The company covers about 30 percent of its oranges needs with plantations they manage themselves. In addition, 2,500 independent orange producers supply the company¹⁰, among them

► **Agroterenas** (p. 16).

Citrosuco emerged from a co-operation between a German bottling company (► **Eckes-Granini** (p. 51)), the Pasco packing company (juice manufacturer from Florida) and a German immigrant, Carl Fischer, in 1963. Fischer stayed – he was in fact en route to the prosperous Argentina – in Brazilian Santos in 1928, bought his first plantation, the Citricola, and established a fruit trade. Then in 1963 he acquired an orange-processing factory in the city of Matão together with the entrepreneur Ludwig Eckes and founded the company Citrosuco Paulista. Today, Citrosuco is a subsidiary of the Fischer group. It provides maritime transport services for oil platforms. The connection to seafaring was a guarantor for the rapid expansion of Citrosuco. Fischer quickly realised the potential of the European market and, as one of the first companies, began shipping concentrate instead of pure fruit juice.

9 Cf. Corporate site Votorantim: <http://www.votorantim.com.br/en-us/negocios/agroindustria/pages/agroindustria.aspx> (access: 27 February 2018).

10 Cf. Citrosuco/Citrovita's press release: Citrosuco and Citrovita announce agreement to merge their orange juice operations, May 2010: http://www.mzweb.com.br/votorantim/web/arquivos/Votorantim_Citrovitaannouncement.pdf (access: 27 February 2018).

The company in its present form is the result of a joint venture between Citrosuco Paulista and Citrovita in 2012.

Only founded in 1989, Citrovita is a subsidiary of the industrial group Votorantim, which is active in the fields of cement and concrete, mining and metal industry, paper, financial services and chemicals. Its operations in the citrus sector are conducted through Citrovita. The merger of the two companies was considered critical because Citrosuco and Citrovita occupy a leading position in the entire production chain. With reference to several conditions, among them guaranteeing long-term supply contracts to subcontractors, the merger was ultimately approved.¹¹

Due to the scope of the merger - sales of both companies exceed threshold values in Europe above which the EU Merger Regulation applies - the European Commission has also looked into the merger.¹² Despite the enormous market power, the European Union sees enough pressure potential from the large competitors in the market to protect the consumers against unreasonable price increases.¹³ The Brazilian workers however, are not protected. Shortly after the merger a factory in Matão was closed, 173 people immediately lost

11 Cf. Economia: CADE aprova fusão as Citrovita s Citrosuco, image Gigante do suco. Aprovação impõe condições que constarão de termo de compromisso. Fusão de cria a maior empresa mundial de suco de laranja: <http://g1.globo.com/economia/negocios/noticia/2011/12/cade-aprova-fusao-da-citrovita-e-citrosuco-criando-gigante-do-suco.html> (access: 27 February 2018).

12 Cf. European Commission: http://ec.europa.eu/competition/mergers/cases/decisions/m5907_20110504_20682_1898514_EN.pdf (access: 27 February 2018).

13 Cf. European Commission: Final report of the hearing officer Votorantim/Fischer / JV (COMP/M. 5907): http://ec.europa.eu/competition/mergers/cases/additional_data/m5907_2419_3.pdf (access: 08 March 2018).

their jobs.¹⁴ The restructuring of the company continues to be driven forward, thousands of jobs are now affected. The company let it be known that a severance package will be paid to workers: One month pay for all who were employed for less than 10 years, and two months' pay for everyone else.

Facts of the case: Slave labour¹⁵

When violations of labour rights were identified on plantations of Cutrale (p. 27) in July 2013, a special unit of employees from the Ministry of labour and the Federal Public Prosecutor's Office also revealed slave-like working conditions on plantations of Citrosuco. An employee of Citrosuco had recruited orange pickers in Ipirá in the state of Bahia for the harvest. According to the audit report, he promised them good remuneration, accommodation at the expense of the employer and decent working conditions. Reality looked different, however: The workers ran up debt through non-agreed additional costs, received less pay than the average minimum wage of the state of São Paulo and were housed in barracks that were in danger of collapsing and which had previously been used as barns. They were also prevented from escaping this forced relationship.

Citrosuco allocated a kiosk to the workers where the group from Ipirá could set up an account for daily food shopping. This is the so-called "canteen system" that is commonly used in Brazilian agricultural work. The workers usually become so indebted that they are committed to stay at that location until they

have worked off their debts. In the case of the 26 workers, the total debt at the kiosk amounted to an equivalent of some 3,876 euros. The former auditor Renan Amorim stated: "The workers explained that they even had to starve, because they were no longer able to pay off the debt at the store and couldn't even get food there any longer".

Due to the inhumane accommodation and debt bondage, the government audit classified the position of pickers as a forced relationship akin to slave labour. And that is because the group was trapped not only due to the debt bondage, but also because the company of Citrosuco was holding back their working papers. This prevented them from leaving the place and looking for another job. Following an agreement between the company and the Federal Public Prosecutor's Office for labour/Federal Labor Prosecution rights, the workers were able to return to their hometown, they received severance pay, compensation and the reimbursement of travel expenses. Citrosuco also committed itself to paying all of the employees' debts in full.

Mentioned in the dirty list?

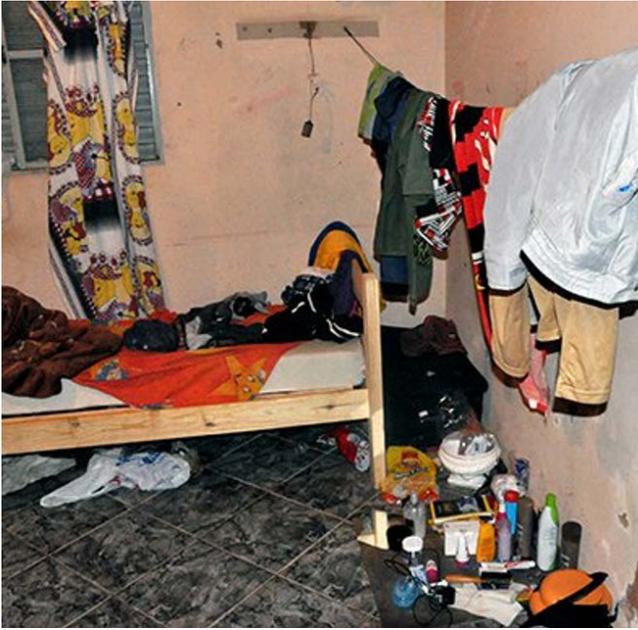
After the Brazilian Federal Government had published the "dirty list" of slave labour again in March 2017,¹⁶ Citrosuco obtained a court order¹⁷, which prohibited the Brazilian government from putting its name on the list. Although the audit report leaves no doubt that the employment relationship the workers found themselves in was akin to slave labour, the company deployed a bureaucratically clever argumentational tactic. The company explained that the audit reports and rulings of the authority that lead to the inclusion of Citrosucos in the "dirty list" were created on the

¹⁴ Cf. Estadão Jornal digital, 29 February 2012: 104529e, <http://economia.estadao.com.br/noticias/negocios,citrovita-fecha-unidade-de-matao-interior-de-sao-paulo> (access: 27 February 2018).

¹⁵ The information described in this chapter is taken from the report of the Ministry of Labour on this case and the report published by Repórter Brasil at the time: <http://reporterbrasil.org.br/2013/07/citrosuco-e-autuada-por-empregar-26-em-trabalho-escravo-e-corre-o-risco-de-perder-direitos-Econômicos/> (access: 07 March 2018).

¹⁶ More information can be found in chapter "Dirty list" of the top chapter "Cutrale", p. 27f.

¹⁷ See the legal proceedings no. 0011062.27.2017.5.15.0025, TRT 15ª Região.



Evidence from the authority of the Brazilian Ministry of Labour (Ministério do Trabalho).
Photos: Ministério do Trabalho



»» *We work soaking wet.»*

The work on the orange plantation is brutal. It is something for slaves. You have to carry a bag of fruits on your back, then there is a ladder that weighs another 30 kg that you have to climb up and down on... A lot of people get hurt. The other day a woman hurt her finger on the plantation. She could no longer pick, had to stay at home with a medical certificate. But they still ask her to come to the fazenda every day. There she is all day long, not doing anything. And all this just so the accident does not have to be reported to the authorities. I guess they don't want anyone to come and inspect the Fazenda.

If it rains, they should really pay a daily rate us and no-one should even enter the plantation at all to work. But we pick anyway. Then they say: "Go and pick two large bags and that's it for the day." Sometimes, if it rained the day before, but the sky is clear, the tree trunks are still damp. We work soaking wet.

We don't like that, but complaining makes no sense. They call the shots. If you complain they won't hire you next year. There was a Manager who even threatened not to hire any more crop pickers from our city. He said, then they would just build accommodation for people from Pernambuco, if we people from Boa Esperança made such a lot of fuss.

What makes a really mad, is how much they pay you for the oranges. It is such a rip-off/cheat. A large bag holds 20 crates of oranges but the responsible supervisor only documents 17 or 18 crates per large bag. I picked about three or four large bags a day and it is difficult to get more than 1,200 real (equivalent to about 310 euros) a month. And the pickers who pick twice as much only get 100 real (26 euros) more. How is that possible?

52-year old orange picker on a plantation of Citrusuco.

basis of article 444 of CLT’s labour law legislation and not on the basis of the allegation that the workers had been systematically recruited and placed in slavery-like working conditions. The latter were to be deemed “crimes which, although mentioned in the protocols, should be subject to a legal investigation within the framework of criminal law”,¹⁸ Citrosuco also argues that the Federal Public Prosecutor’s Office had brought no charges against the company and that the slave labour was not explicitly mentioned in the police report.

However, the inclusion of companies in the “dirty list” on the basis of article 444 is usually the path taken by the Federal Public Prosecutor MPT when they check to see whether an operation is complying with labour law. Article 444 mentioned offences such as “keeping employees under the contradictory provisions protecting labour rights” and describes the cases of slave labour that were uncovered by the authority’s inspections.

It is important to stress that the warrant for the protection of the company of Citrosuco is no judgment in the case itself. It is only a preliminary court ruling aimed at avoiding in advance potentially irreparable damage that could be caused by a possible entry in the ‘dirty list’. Regarding the progress of the case, it is yet to be decided whether the Court will ultimately follow the reasoning of the company or not.

¹⁸ loc. cit.

Violations against labour law¹⁹

Between 2011 and 2017, the Ministry of labour imposed a total of 242 penalty notices against Citrosuco. The violations took place in 20 operations of the company, roughly three quarters of which were orange plantations. There were also violations in three juice factories - in the municipalities of Catanduva, Matão and Limeira, all in the State of São Paulo – as well as at the company’s port terminal in Santos (SP).

The violations identified between 2015 and 2017, mainly in the area of health protection and occupational safety on the plantations, referred to the lack of sanitary facilities. In addition, workers were not informed about the risks of accidents at work. There was no training offered to the members of the operational commission for the prevention of work accidents (CIPA) on safety and health issues in the workplace.

There were also legal violations in the juice factories. For example, in the factory in Matão, the two hours of overtime permitted per day were exceeded and the legally guaranteed day of rest per week was not granted. There were more irregularities in the facilities of the factory building and the prescribed

¹⁹ The information described in this chapter is taken from the analysis of the archives of the rulings and case files against the company, which are available in the Ministry of Labour.

Some key violations on Citrosuco plantations

Legal violations	Year	Location (plantation, district, federal state)
Wages were not paid on the due date.	2016	Fazenda Rio Cortado (Cajobi-SP), Fazenda Constância (Altair-SP)
The requirements to protect the health and occupational safety of farm workers were disregarded.	2017 and 2015	Fazenda Rio Pardo (Iarara-SP), Fazenda Quatrimas (Botucatu-SP), Fazenda Rancho Verde (Lucianópolis-SP), Fazenda Emú (Reginópolis-SP), Fazenda Graminha (São Manuel-SP), Fazenda Água Sumida (Botucatu-SP), Fazenda Tubuna (Lençóis Paulista-SP), Fazenda Palmeiras () CERQUEIRA César-SP)

safety precautions: For example, machines lacked instructions for emergency stops, the electrical installation was defective.

In the October 2017, Repórter Brasil spoke with workers who were working as pickers for Citrosuco in the central region of the State of São Paulo. The main issues they identified were lack of transparency and underestimating the weight of the crates they harvested. Other complaints refer to the orange harvest on rainy days and the exposure of agrottoxins sprayed. They were critical of the foremen's handling of criticism expressed about working conditions. Two of the pickers reported of explicit threats made that hire workers would not be employed for the next harvest if they expressed any criticism. All of them stated that

they were not familiar with other complaint mechanisms other than going directly to their supervisors. They furthermore stated that they had no knowledge of trade union activities or regulatory audits on the Fazendas.

Statement Citrosuco

Citrosuco did not respond to any questions about the audits and the company policy on sustainability and social corporate responsibility. The company also did not provide a statement, and has neither commented on the issues on its plantations nor on the issues of its supplier Agrotterenas.

LOUIS DREYFUS: French Conglomerate

Louis Dreyfus company (LDC) is the fourth largest agricultural company in the world by sales (55.7 billion U.S. dollars 2015).²⁰ LDC is headquartered in Paris and conducts a large portion of its business activities in Brazil.

The company is thus one of the country's largest exporters. According to the company's own statements it produces, processes and exports 81 million tonnes of raw material worldwide every year and claims to feed and dress up to 500 million people.²¹

The history of the company dates back to the 1851. As the son of a farmer, Léopold Louis-Dreyfus began by trading seed. In 1942 the company settled in Brazil. LDC bought out many of its competitors in the country during the 80s and 90s. In addition to citrus fruit, the company also trades in sugar, coffee, soy, cotton, metals and oil plants: LDC is represented across the entire agricultural value chain, for example also with its own fertilizer factories. The company ranks among the world market leaders in the orange juice, sugar cane and agrofuels product sectors. LDC has its own terminal at the port of Santos in Brazil, three factories for orange juice (FCOJ and NFC) and more than 14 million fruit trees on 30,000 hectares of plantation²², mostly oranges. Up to 10,000 people work for the company in this sector during the harvest season.²³

20 Cf. Excerpt from the Heinrich-Böll-Stiftung's group atlas: Five agricultural companies dominate the world market. January 2017: <https://www.boell.de/de/2017/01/10/fuenf-agrarkonzerne-beherrschen-den-weltmarkt> (access: 08 March 2018).

21 LDC company website: www.ldcom.com/global/en/about-us/what-we-do/ (access: 08 March 2018).

22 loc. cit.
23 Cf. LDC 2017: Producing Juice Sustainably. Progress Update 2016 – Brazil, 2017: S. http://www.ldcom.com/files/9014/9805/0492/LDC_Juice_Progress_Update_2016.pdf (access: 08 March 2018).

Violations against labour law²⁴

Between 2011 and 2016 alone, the public prosecutor's office reported 154 cases against LDC with penalty decisions outcome for labour violations in dozens of operations of Louis Dreyfus Company Sucos S/A. Penalties were imposed for a total of 8 orange plantations following audits by the authorities. The table on the following page illustrates some of the key violations.

In the juice factory of Bebedouro, the largest operation, safety defects were found, while working hours were also exceeded. In the factory in Paranavaí, auditors discovered irregularities in the high-pressure boilers and pressure vessels in 2015.

Repórter Brasil asked orange pickers and a tractor driver who work for LDC about the working conditions at the company in October 2017. According to the interviewed pickers, the company Louis Dreyfus sets targets. When they are taken under contract, i.e. during the trial period or training, employees must achieve a monthly average of at least three large bags per day. LDF specifies this as a requirement in order to be hired permanently after the first trial harvest month. Whoever doesn't manage this is rejected. The system particularly discriminates against women, the elderly or workers unexperienced in picking oranges.

Health, hygiene and safety standards were described as generally satisfactory. Safety equipment was provided and renewed if nec-

24 The information described in this chapter is based on the evaluation of the archives of the available rulings against the company at the Ministry of Labour.

Some central violations on plantations of Louis Dreyfus

Legal violations	Year	Location (plantation, district, federal state)
Illegal deductions from wages	2015	Fazenda Angola (São Sebastião do Paraíso MG), Fazenda Água Vermelha (São Sebastião do Paraíso MG)
The service required for the health and safety of farm workers was not offered in accordance with the rules*.	2015	Fazenda dos Coqueiros (Perdenerias-SP), Fazenda Canaan (Urú-SP)
No training in safety and health issues in the workplace was offered to the members of the operational commission for the prevention of work accidents (CIPA).	2015	Fazenda Canaan (Urú-SP), Fazenda sem denominação (Itatinga-SP)

* The required safety and health service SESSTRS for farmworkers must consist of at least one safety expert per operating unit with 50 to 150 employees. For more than 300 employees, there must be a safety expert and an occupational health physician.

essary. There are toilets with chemical cleaning in the vicinity of the area of deployment and dining halls. However, they all described that the productivity-dominated work rhythm made the physically demanding work more difficult and caused back pain and regular arm pain.

The interviewed tractor driver was particularly troubled by the preparation of the agrotoxin mix. He reported that the employ-

ees responsible for such activities suffered from regular health complaints. “The smell of the toxin makes you dizzy and causes nausea. Some have skin inflammation and the skin of their hands is completely grazed”, he explained.



Left: Filling an agrotoxin tank; right: Orange pickers on an LDC plantation during a raid by the Federal Public Prosecutor's Office. Photos provided by a worker



» Everything hurts at the end of the day.»

This was my first year here picking oranges. It is really hard. I was shattered. You have the bag over your shoulder and put oranges inside. A full bag weighs 30 kg. Then you have to climb down the ladder and at the same time balance this entire weight, and at the top you have to stretch your entire body and your arms to reach to the uppermost fruit ... Everything hurts at the end of the day, the legs and the back especially. I've done hard physical work all my life. I have planted seedlings, I have picked sugar cane, I'm used to hard work. But orange picking completely killed me.

On my first three days, I managed three big bags a day. They pay you 46 centavos per orange crate (12 cents) – the equivalent of 40.8 kilos – and each large bag has about 20 crates. I did a calculation: I'm not even getting 30 real per day (7.75 euros). This means at the end of the month I would only get the statutory minimum wage for all this hard work. It's not worth it. So I just worked there for three days and never went back. I wasn't the only one.

Several others stopped because of the pay.

They said we would get a bonus if we picked more. But I really didn't understand how it works with the bonus. It sounded really complicated, and you don't work well if you don't understand how much you will get. They filled in the papers correctly, but I was just in my trial period anyway. They even said that they wouldn't take on anyone who picks fewer than three big bags a day in the first month. They end the contract and send you away..

32-year-old former crop picker at Louis Dreyfus.



Photo: André Campos

» We work on a piece-rate basis, so you cannot have a break«

I am from Bahia, like so many of the other helpers who live here. I've been here for more than ten years. When I moved here, I worked as a sugar cane cutter. Afterwards, I also helped with the coffee harvest. This is my fourth season working in the orange harvest.

You have to be quick, you don't have time for a break or a chat. We work on a piece-rate basis, so you cannot take a break. They pay you 51 centavos per crate (13 cents). I can do about four to five large bags per the day. My pay is between 1,600 and 1,800 real per month (413 or 465 euros). Is that enough? Of course not, it should be more. I have three children who are dependent on my income. And with the money I make at harvest, we often have to manage for a whole year. My wife gets money from Bolsa Família, so we are also dependent on support from the state. Those who work in the countryside never know when and where they will find work next time. You never know what will be tomorrow.

The company's target is that we have to achieve an average of three large bags a day. At the beginning of the harvest season, they give you a trial contract. If the worker does not meet the target, the contract is not extended. If you only meet the target, that means three big bags, you receive the basic amount from the company, which is 1,070 real (276 euros).

The company gives you all the necessary protective clothing, everything is proper. There is no reason to complain. But even

this protective clothing cannot work miracles. We wear headgear and the goggles. And yet I hurt myself right there a few weeks ago. There are orange trees with thorns, large thorns on the branches. While I was picking, a spike went through the protective screen of the goggles. It got stuck right in the middle of my forehead. It was quite a job trying to get it out again. What if it had gone into my eye? When we harvest we have to work quickly. That means dozens of fruits every second. That's why these things happen.

Early in the morning, the groups go out to the field rows whose turn it is on that day. Each group consists of 30 farm workers, the company leaves us about 200 big bags so everyone can take what they need. There are workers who grab ten or twelve large bags right away. There are even people who keep some for the next day, worried there may not be enough then. The problem is that it leaves people without large bags. And then you can't work. And when the farm worker doesn't work he produces nothing and then there is also no pay. That has already led to fights between the workers on the Fazenda. There are arguments, threats ... Thank God nothing worse has happened yet.

46-year-old orange picker on a Louis Dreyfus plantation.



Statement LDC

As a globally responsible global supplier of quality orange juice, our corporate actions at Louis Dreyfus company (LDC) place great emphasis on occupational safety, responsibility and confidence. LDC cares greatly about sustainability and human rights and always adheres to the standards in this regard. It is important to point out that LDC adheres strictly to the national labour legislations of the countries in which the company operates. This of course includes Brazil. Very often, we choose to go even further by implementing safety measures and an operational management that go beyond the requirements of the legislation. All our workers have formal work contracts that are fully comply with the Brazilian legislation.

The payment of our staff is absolutely compliant with the legislation and is in fact above the statutory minimum wage in Brazil. Additionally, there are variable premiums, which are based on targets and safety. All our employees – both the permanent employees and harvesters - receive training in occupational safety prior to starting to work for us and are introduced to all standards and rules applicable at our company. LDC operates strictly according to the legislation that applies to the working group, such as the standard NR31 (legislation on occupational safety and health in agricultural work).

Regarding the use of plant protection products, we emphatically declare that our company only uses products that are authorised by the Ministry of Agriculture and accepted by the international market. No employee is exposed to these plant protection products. The employees who use these products are protected adequately. Their protective clothing is collected at the end of each shift and cleaned by a specialist company. In

addition, the operational plans and prescribed cooling-off periods for each plant protection product in use are monitored and the fields remain closed for any activity until the prescribed safety interval has ended. All these processes are controlled by our computerised monitoring.

Our company is committed to fully to establish these practices at its suppliers; that they fully implement the applicable rights and protect the rights of workers. Since 2015, we have been promoting the so-called “Programa Compartilhar”, aimed at spreading best practices for sustainability in technical, administrative, and social and environmental issues. This initiative is aimed at orange suppliers for our company. At the meeting, topics such as standard setting, the safe use of plant protection products, environmental protection and the requirements of the Ministry of Labour and other topics are discussed.

The report on the sustainable production of juice (“Produção Sustentável de Sucos”) has been issued by our company for the third consecutive year and summarises our sustainability efforts. The majority of these efforts are tested and certified by internationally relevant and recognized institutions.²⁵

²⁵ Cf. LDC: Produção Sustentável de Sucos, 2016: http://www.ldcom.com/files/6115/0727/7765/LDC_Sucos_Relatorio_2016.pdf (access: 07 March 2018).



3

THE BOTTLERS



Photo: Guy Shapira — stockadobe.com

Bottlers primarily buy Brazilian juice for the production of orange juice; either as a frozen orange juice concentrate (frozen concentrated orange juice – FCOJ) or as direct juice (not from concentrated – NFC).

These go to Germany by sea. The FCOJ is then processed once more into juice by the bottling plants, or the NFC is bottled directly, packaged and delivered to supermarkets and discount stores. These sell the juice as a brand item or under their own brands in varying quality and price segments. With orange nectar, water and sugar or honey is added to juice – irrespective of whether its FCOJ or NFC. The manufacturers of juice drinks are a kind of intermediate processors for the bottlers:

They buy and mix the juices to multiple-fruit juices or other soft drinks according to the specifications of the bottlers with regards to taste and variety.

The biggest customers of orange juice are ► **Coca-Cola** (see below) and ► **Pepsico** (p. 48). These two global companies usually purchase large quantities from Brazil centrally – largely from just one of the three juice multinationals. Additionally, the following operate on the European market ► **Eckes-Granini** (p. 51), ► **Refresco** (p. 54), ► **Riha-Wesergold** (p. 55), ► **Valensina** (p. 56), ► **Beckers Bester** (p. 56), ► **Hassia** (p. 57), and ► **Pfanner** (p. 58) as smaller competitors.

COCA-COLA



Coca-Cola is the world's largest beverage manufacturer. Net sales in 2017 were around 35.4 billion US dollars (28 billion euros), net operating profit was about \$ 7.5 billion ¹(6.1 billion euros). The company, with its headquarters in Atlanta, sells in more than 200 countries and has more than 700,000 employees worldwide, 9,000 in Germany. This is where "Essener Vertriebsgesellschaft für Naturgetränke" bottled the first bottle of Coca-Cola in 1929 and invented Fanta in 1940. With sales of around 3.6 billion litres, Coca-Cola was the largest manufacturer of soft drinks in Germany in 2016.² Coca-Cola is the world's largest buyer of Brazilian orange

juice. Some of the drinks that include orange juice (NFC or FCOJ) are Minute Maid, Fanta and Simply Orange.³ The company's Brazilian partner, which provides the raw material for global juice enjoyment, is ► **Cutrale** (p. 27). Cutrale also owns 20 per cent of the Latin American Coca-Cola bottler FEMSA, the number two in the Coca-Cola empire.

³ Cf. Ranker, The Best Orange Juice Brands: <https://www.ranker.com/list/best-orange-juice-brands/werner-brandes> (access: 12 March 2018).

¹ Cf. Statista, global performance figures of Coca-Cola from 2009 to 2017 (in millions \$): <https://de.statista.com/statistik/daten/studie/36321/umfrage/umsatz-und-geschaeftszahlen-coca-cola-seit-2006/> (access: 12 March 2018).

² Cf. Statista, sales of the leading manufacturers of soft drinks in Germany in 2016 (in million litres): <https://de.statista.com/statistik/daten/studie/284691/umfrage/absatz-der-groesstenhersteller-von-erfrischungsgetraenken-in-deutschland/> (access: 12 March 2018).

►► Statement Coca-Cola

Coca-Cola Germany referred to the jurisdiction of the Coca-Cola Company for the purchase. However, they have not provided a statement or commented on the fact that their central business partner Cutrale is on the 'dirty list' for slave-like working conditions.

Sales of the leading manufacturers of soft drinks in Germany

Beverage drinks manufacturers	Sales in 2016 [million litres]
Coca-Cola European Partners	3,585
Mitteldeutsche Erfrischungsgetränke	1,350
Altmühltaler Mineralbrunnen	967
Hansa-Heemann	898
Pepsico	813
Refresco Deutschland (inkl. Gerber/Emig)	405
Hassia Mineralquellen (inkl. Saftmarken)	241
Riha-Wesergold Getränke	222
Danone Waters Germany	211
Stute Nahrungsmittelwerke	195
Hermann Pfanner Getränke	152

Source: Statista, sales of the leading manufacturers of soft drinks in Germany in 2016 (in million litres): <https://de.statista.com/statistik/daten/studie/284691/umfrage/absatz-der-groessten-hersteller-von-erfrischungsgetraenken-in-deutschland/> (access: 12 March 2018).

PEPSICO



PepsiCo, Inc. has been battling for dominance in the global beverage market with the competitors from Atlanta since the 1970s and is one of the ten largest agrobusiness companies in the food and beverages sector. Headquartered in Purchase (New York), PepsiCo has subsidiaries in Europe and all over the world and employs more than 271,000 people. Net sales amounted to approximately \$ 63.5 billion (EUR 51.6 billion) in 2017, with sales of 30.14 billion US dollars (24.5 billion euros) for beverages it was only just behind Coca-Cola. In Europe / sub-saharan Africa (ESSA), the net sales of the Group amounted to approximately US\$ 11 billion (9.82 billion euro). In Germany, PepsiCo came in fifth place in 2016 with some 813 million litres of sales of soft drinks. The U.S. company also came in fifth place as a fruit juice manufacturer with

its brand Punicia in 2017. The PepsiCo subsidiary Tropicana is one of the largest orange juice manufacturers in the world. It is supplied by **Citrosuco** (p. 35) and is the second most popular juice brand worldwide, in the United States it is even ranked number one in popularity.⁴

⁴ Cf. Statista, Sales of the leading refrigerated orange juice brands of the United States in 2017 (in million U.S. dollars): <https://www.statista.com/statistics/188749/top-refrigerated-orange-juice-brands-in-the-united-states/> (access 13 March 2018).

Statement PepsiCo

PepsiCo has provided a general statement and referred to the company's complaints procedure. The company did not comment on the specific problems of the value chain.



FRUIT JUICE WORLD CHAMPION

The consumption of fruit juices and nectar is about five percent of the world's popular drinks and amounts to 38.5 billion litres. For comparison: The consumption of soft drinks amounts to over 470 billion litres. A total of around 2.36 billion litres of fruit juice and nectar were consumed in Germany in 2016. With an average per capita consumption of 33 litres, Germany is not only the number one in Europe, but also worldwide. The most popular varieties are orange juice and apple juice with an average of 7.5 litres each per year. They make up almost half of the total per capita consumption.

In Germany, the juice is produced by 345 mainly small and medium-sized companies with a total of 7,500 employees.⁵ Together, they had a turnover of around 3.5 billion eu-

ros in 2016.⁶ They either produce under their own brand, for example Granini, Valensina or Becker's Bester, and distribute their products through distribution channels such as supermarkets and specialist drinks stores, or they produce under trade marks for retail. The bottlers who manufacture orange juice products include Refresco, Riha Wesergold Getränke and Stute. The companies that solely operate as manufacturers of mixed juice drinks, but do not distribute their own brands, include Cargill and Danielle. Small and medium-sized bottlers and juice manufacturers usually purchase orange juice (NFC/FCOJ) on the basis of seasonal contracts from all three major suppliers of orange juice from Brazil. They thus ensure a continuous supply of orange juice.

⁵ Cf. Statista, number of fruit juice manufacturers in Germany from 2000 to 2016: <https://de.statista.com/statistik/daten/studie/76842/umfrage/anzahl-der-fruchtsafthersteller-in-deutschland-seit-2000/> (access: 12 March 2018).

⁶ Cf. Statista, turnover of the fruit juice industry in Germany from 2000 to 2016 (in billions of euros): <https://de.statista.com/statistik/daten/studie/76857/umfrage/gesamtumsatz-der-fruchtsaftindustrie-in-deutschland-seit-2000/> (access: 07 March 2018).

Consumption of fruit juice and nectar in Europe by country

Country	Consumption in 2016 [million litres]
Germany	2,361
France	1,415
Great Britain	1,116
Spain	831
Poland	800
Other countries together	2,776

Source: <https://de.statista.com/statistik/daten/studie/150150/umfrage/verbrauch-von-fruchtsaft-in-der-eu/> (access: 9 March 2018).

Ranking top 15 fruit juice manufacturers 2017 in Germany*

Rank	Manufacturers**	Domestic sales 2016 [Million EUR]	Sales 2016 in Germany [million litres]	Sales 2016 worldwide [million litres]
1	 Eckes-Granini the best of fruit	307.1%	330	893
2	 Refresco	299	442	761
3	 Riha-Wesergold	189.8	291.2	504
4	 Valensina	176	224	264
5	 Pepsico Deutschland***	105	103	242
6	 Stute	83.2	200	240
7	 Albi	81	110	116
8	 Mineralbrunnen Überkingen-Teinach	62.2	50.7	50.7
9	 Niederrhein-Gold	59.1	144.3	240.5
10	 Beckers Bester	39	59.8	59.8
11	 Hassia-Gruppe	36.6	44.7	44.7
12	 Haus Rabenhorst	36.5	11.1	12.2
13	 Sonnländer Getränke	29.4	49	49
14	 Pfanner	24.8	35.7	35.7
15	 Amecke	22.4	24.7	24.7

(Own) brands of orange juice

Hohes C, Granini, Frucht-Tiger, Pago

Own brands for Lidl (Solevita) Rewe (Ja!), Aldi (Rio d'oro)

Own brands for Aldi Süd (Rio d'oro) among others.

Hitchcock, Valensina, but also own brands, such as Rio d'oro for Aldi Süd

Punica

Own brands for Aldi Nord (Sonniger)

Acquisition by Edeka

Niehoffsvaihinger; Merziger.
Known sodas are Afri Cola and Bluna.

Own brands for Lidl (Solevita, Vitafit)

Beckers Bester

Rapp's, but also Bionade, Lichtenauer

Rotbäckchen, Rabenhorst

Edeka subsidiary

Pfanner

Amecke

* The ranking of the largest fruit juice manufacturers in Germany compiled by C. Hohmann/Getränke Info shows domestic turnover and sales of fruit juices and nectars (without vegetable juices). <http://www.lebensmittelzeitung.NET/Industrie/ranking-top-17-Fruchtsafthersteller-2017-in-Deutschland-129026> (accessed on: 7 March 2018)

** Coca-Cola is not a fruit juice manufacturer, the company therefore does not appear in this overview; PepsiCo Deutschland only shows up with the sales of the juice brand Punica.

*** Only sales of Punica in Germany are taken into account.

ECKES granini
the best of fruit

ECKES-GRANINI

Eckes-Granini – after the sale of the alcohol division – has now been a pure juice store for ten years. The company employs 1,684 employees and besides Germany also operates in eleven other countries; partly with its own subsidiaries and acquisitions of brands such as Joker in France, Marli in Finland, Brämhults in Sweden or Pago in Austria. The two most popular brands in Germany include Hohes C and Granini. The company was able to increase its sales primarily through the ranges Hohes C Mild and Hohes C Plus. The Plus Iron variety is especially popular. Eckes-Granini has a market share of 12.4 percent in Germany.

The business is generally characterised by enormous price pressure. According to Eckes-Granini head Thomas Hinderer, it is not just the strong dollar but also the sustained shortage of orange juice concentrate after four poor harvests in Brazil that have an impact. “The market is empty”, said the chairman of the executive board. Hinderer assumes that the price for the quantity of orange juice concentrate that is required for a litre of juice will rise to 40 cents in 2017/2018. In 2010 it was still 20 cents, then 30 cents. Hinderer said that there was no alternative but for Eckes-Granini to pass the higher costs on to customers, “even if some will put us in the sin bin.” Hinderer is hoping that the “unspeakable 99 cents” for Hohes C soon disappear from sale in Germany. The recommended retail price for Hohes C is still 1.79 euros.

Statement Eckes-Granini

Eckes-Granini is constantly working on improvements in the area of sustainability. [...] For this purpose, a catalogue of measures has been developed for all divisions. [...] Details can be found in the sustainability and environmental report: ⁷

We source our raw materials exclusively from suppliers that we have been collaborating with for many years and who are also members of **SGF International** (p. 78).

Many years ago, we enforced the creation of a code of conduct (SGF/IRMA) and were active participants in this process.

The code of conduct that has since evolved and turned into the AIJN code of business conduct governs the observance of internationally recognized environmental and social standards in the fruit juice industry.

All suppliers have committed themselves to this code of business conduct and the conditions listed therein, which also include audits. [...]

In addition, we have been working with the independent institute EcoVadis⁸ since

2014 on the evaluation and auditing of all our suppliers under environmental and social aspects in order to further review the standards and where necessary expand appropriately.

On the basis of the results, Eckes-Granini talks specifically with suppliers to stimulate further improvement measures.

This approach has already proven itself in the past few years, many processes were improved continuously in this manner.

All these results are directly incorporated into the decision on the purchase of raw materials.

With regards to the current issues raised, we are currently already in discussions with our suppliers in order to scrutinise the specific violations mentioned and to take the necessary measures, if they have not already been taken.

In addition, we are currently also active at a sectoral level for the continuous improvement of the social and environmental conditions in the producing country.

We are actively working with the **Juice CSR platform** (p. 76) of the European Association of the fruit juice industry AIJN and have presented our collaboration with EcoVadis there as a best practice example.⁹

⁷ Cf. Eckes-Granini Deutschland GmbH, sustainability and environmental report 2017-2020: http://eckes-granini.com/pageflip/nachhaltigkeitsbericht_de/index.html (access: 23 March 2018).

⁸ Cf. EcoVadis Supplier Sustainability Ratings, <http://www.ecovadis.com> (access: 29 March 2018).

⁹ Cf. <http://juicecsr.eu/csr-platform>, example Eckes-Granini: <http://juicecsr.eu/best-practice#eckes-granini-group> (access: 29 March 2018).

Ranking the most popular fruit juice and fruit nectar brands in Germany *

Marke		Nennungen [%]**
	Hohes C (Eckes-Granini)	21.2
	Granini (Eckes-Granini)	14.8
	Valensina	13.8
	Punica (Pepsico Deutschland)	13.3
	Albi (Edeka)	7.4
	Beckers Bester	6.5
	Wesergold	5.6
	Capri-Sun (Arios Holding)	4.4
	Vaihinger (Überkingen-Teinach)	4
	Hitchcock (Valensina)	3.9
	Rapp's (Hassia)	2.7
	Ameckes	2.5
	Fruit Tiger (Eckes-Granini)	2.5
	Merziger (Überkingen-Teinach)	2.5
	Natreen (Jacobs Douwe Egberts)	2.3
	Tropicana (Pepsico Deutschland)	2
	Christinen Brunnen (Gehring-Bunte)	1.9
	Pago (Eckes-Granini)	0.8
	Brand names/own brands	27
	Other fruit juice and fruit nectar brands	25.9
	(Not consumed in the last 4 weeks)	23.1

* Cf. Statista, most popular fruit juice and fruit nectar brands (consumption in the past 4 weeks) in Germany in the years 2014 until 2017: <https://de.statista.com/statistik/daten/studie/175765/umfrage/konsumierte-fruchtsaft-oder-fruchtnektarmarken/> (access: 9 March 2018).

** Multiple responses possible

The trademark giants Refresco and Gerber Emig merged in 2013 under conditions of the European competition authorities and have established themselves as the largest European manufacturer of fruit juice and soft drink brands. The company produces some seven billion litres and generates revenues of approximately 2.3 billion euros.¹⁰ Refresco is headquartered in Rotterdam in the Netherlands and employs about 5,000 staff.

Germany is the company's biggest single market. Some 900 employees are employed by Refresco Germany. Their headquarters is in Mönchengladbach. That is where a fairly traded orange juice and a mango-orange passion fruit nectar are bottled for ► **Lidl** (p. 70) among others. The orange juice comes from the Brazilian Orange Cooperative COACIPAR (Associação dos Citricultores do Paraná). Both products bear the ► **Fairtrade seal** (p. 74) and are sold at Lidl branches in Germany, but also

in Denmark, Sweden, Finland, the Netherlands and Austria. Refresco also produces juices for the own brands of ► **Aldi** (p. 68) and ► **REWE/Penny** (p. 66). Through these contracts with the German retail, the gross profit margin dropped by two cents to 14 cents per litre in 2017. The main reasons for this were the strong competition and market concentration in Germany.

However, Refresco bottles not only for retail but also for brand-name manufacturers. The Group not only assumes the bottling, labelling, and packaging, but sometimes even the entire production process for the brand. In the end, however, the brand name or the name of the client appears on the bottle or carton. Major customers include ► **Pepsico** (p. 48). In 2016, Refresco took over a bottling plant of Pepsico Germany in Hamburg. Refresco also produces Punica and Lipton for Pepsico, both in Germany and in other European countries.

¹⁰ Cf.: Refresco Annual Report 2017: http://www.annualreport.refresco.com/downloads/Annual_Report_2017.pdf (access: 13 March 2018).

Statement Refresco

Refresco sent a general statement on its corporate social responsibility:

“Since 2013, Refresco has been a member of ► **Juice CSR platform** (S. 76), an open platform for all actors in the supply chain who want to improve the sustainability of the fruit juice sector. In 2017, we opted for the Juice Covenant, which strives to achieve a 100% sustainable organisation of the sustainable procurement, production and trade of juices, purees and concentrates through certification and independent verification by 2030. This alliance is open to all actors in the juice supply chain and is managed by the IDH Sustain-

able Trade Initiative. The Sustainable Juice Covenant is an industry-wide, global initiative with a common definition of sustainability, including the observance of human rights and environmental standards. The milestones, Refresco has committed to are 15% sustainably produced juice in 2018, 30% by 2020, 75% by 2025 and ultimately 100% by 2030. In addition, we are committed to sourcing a substantial share of our orange juice range from ► **Rainforest Alliance**-certified (p. 77) suppliers. Consumer demand changes and we need to support our retail customers. In 2017, Refresco acquired a sizable portion of its orange

juice range from Rainforest Alliance-certified farms, which meant that many of the beverages we produce for our customers in 2018 are made from sustainably produced orange juice.

In Germany, too, a significant proportion of the orange juice that is manufactured from concentrate is Rainforest Alliance-certified this year.

“We are convinced that you now have enough information about our initiatives on the path towards 100% sustainably produced juice.”

RIHA-WESERGOLD



riha WeserGold Getränke GmbH & Co. KG is an international beverage company with sales of 504 million litres. Riha WeserGold is the third largest manufacturer of fruit juice in Germany with 291.2 million litres. The company was founded in 1934 by Richard Hartinger and today generates an annual turnover of 600 million euros.

Riha WeserGold employs about 2,000 employees. The product range includes non-alcoholic soft drinks and juices. These include the brands Netu, Rio d'oro and WeserGold. The drinks are produced both in Germany and abroad, among other things, there is a production plant in Costa Rica.

Statement Riha Wesergold

We are actively contributing members of various associations, including the VDF and the AIJN.

In the specific case, we are committed to complying with the established guidelines through the **► Juice CSR platform** (p. 76) and those of the AIJN code of business conduct. They are also a condition of our raw material specification purchases. The inspections for an individual company can only be carried out randomly. For this reason, a working group is being established in Brazil that is designed to ensure the implementation of the sustainability criteria along the supply chain. In addition, our corporate group has filed for

► Rainforest Alliance certification (p. 77) last year and started marketing orange juices with this certificate of origin. This year, it will already be several million litres of orange juice. We have already been marketing **► EU Bio** (p. 74) orange juice for a long time.



VALENSINA

Valensina GmbH headquartered in Mönchengladbach, North Rhine-Westphalia, produces and distributes a wide range of non-alcoholic beverages. The best-known juice brands include Valensina, Wolfra and Hitchcock. Company founder Rolf H. Dittmeyer set up a distribution network for fresh fruits for **Edeka** (p. 63) in 1955 until he became independent in 1960. His concept was to bottle the juice directly in the harvesting country. His wife Hannelore came up with the brand name Valensina in 1967. The brand Punica was added in 1975. From 1972 to 1984, the company was the exclusive supplier of fruit juice for the Olympic Games. In 1984, Dittmeyer sold his corporate group for health reasons to the U.S. company Procter & Gamble.

From 1988 to 1992, Dittmeyer personally represented Valensina and appeared in televi-

sion commercials. He lent through brand its slogan with the phrase “either freshly pressed or Valensina”, which led to the media referring to him “Uncle Dittmeyer”. In 1998, Dittmeyer bought back the brand and set up its own production site in Bremen with 50 employees. However, Dittmeyer KG had to file for insolvency in July 2001. Today, the company is owned by Sportfit Fruchtsaft GmbH & Co. KG.

Statement Valensina

Valensina is prepared to talk, but did not provide a comment on the specific issues along the value added chain in detail by the time of the copy deadline for this report.

BECKERS BESTER



beckers bester GmbH & Co KG is family owned in its fourth generation. With sales of 59.8 million litres in Germany, the com-

pany ranks among the ten largest suppliers of fruit juice and, with the eponymous brand name, to the most popular juices.

Statement Beckers Bester

The company exhibited an engaged, detailed, exemplary and open reaction to the study and appears ready for talks and dialogue. An excerpt: [...] Out of a deep conviction that human rights and dignity are not debatable, and that the enormous environmental challenges can only be solved hand in hand with social

ills (this affects all our raw materials, not just oranges), we have applied for membership in the **Juice CSR platform** (p. 76) of the AIJN, which, unfortunately, is currently pending. The reason for this measure is that we alone are too small to be able to do anything in an oligopolically structured market such as the market for orange juice. The global demand for orange juice is too great and a refusal of acceptance as

a final sanction has no intimidating effect. We do not want to hide behind this argument, but it is important to face the reality of the situation. For this reason, it is important for as many juice manufacturers as possible to form an alliance in order to make our voice heard.

At the same time, we have registered via the Juice Covenant with the IDH Sustainable Trade Initiative, which pursues a long-term and sustainable approach and upon which the auditing of annual progress is based. [...]

► **Louis Dreyfus Company** (p. 41) is our main supplier of orange juice from Brazil. We have no business relations with the two other companies you have mentioned. We have of course confronted all our suppliers with your

accusations. We have received a clear and initially convincing response from LDC. In our view, LDC has learned from the mistakes of the past. In your letter, you did acknowledge this yourself with regards to health, hygiene and safety standards. For the last three years now, an annual sustainability report has been written to document the step-by-step efforts to improve the conditions. Among other things, upon our request it was confirmed that all LDC staff in Brazil have employment contracts, which were fully in line with international standards and Brazilian laws. The wages paid were above the statutory minimum wage. We were also provided with firm declarations with regards to job security. [...]

HASSIA GROUP



Hassia Mineralquellen GmbH & Co. KG is a German beverages manufacturer from Hesse. In public, the group operates under the name of the Hassia Group (own spelling "Hassia-

Gruppe"). With sales of 44.7 million litres in Germany, the company ranks among the ten largest suppliers of fruit juice. In 2017, it took over the brand Bionade.



Statement Hassia Group

The consideration of social and environmental criteria within the context of our entire supply chain is an integral part of our sustainable corporate governance. Therefore, since 2016 we have been working continuously to work exclusively with suppliers who have signed our code of conduct and adhere to the agreed conditions. [...] This is an ongoing process and naturally not only refers to new suppliers, but to the entire previous supplier base. [...]

In addition to our code of conduct, we are also a member of the association of ► **SGF** (p. 78). Random audits of our suppliers also take place here. Here, issues such as analytical security and traceability through all production and distribution stages are examined and sustainability issues such as the written recognition of the Code of Business Conduct of the European Fruit Juice Association (AIJN) are reviewed.



PFANNER

Hermann Pfanner Getränke GmbH was founded in 1856 and is fully family owned. The company headquartered in the Austrian Lauterach (at Lake Constance) has a total of 850 employees. Pfanner processes roughly 120,000 tonnes of fruits and sells its products in over 80 countries around the world. About 80 percent is exported. The main markets are Germany, Italy, Austria, Romania and the Czech Republic. Pfanner claims to be the market leader in ice tea in Germany with a market share of 19.8 percent .

Statement Pfanner

Pfanner is ready for talks and has had products under the Fairtrade Certification seal since 2001. The company is one of the highest-volume partners of fair trade in the fruit juice sector. In 2014, the company brought an iced tea made with fair trade ingredients onto the market for the first time.

PACKAGING AND ENVIRONMENT



The packaging is most commonly made of cardboard (61%), followed by plastic (29.2%), and then glass (8.6%).¹¹ The environmental impact of packaging mainly depends on the collection systems that are available in the respective countries (for example the collection of PET bottles or drinks cartons), the efficiency of the recycling process and how much recycled material is used in the production of new packaging. Another core issue is how often returnable bottles are used. Glass disposable systems, as well as beverage can systems made of tinplate and aluminium exhibit significant ecological disadvantages compared

to similar systems. After reusable packaging, returnable composite boxes (drinks cartons) exhibit the lowest environmental impact. Non-returnable bottles made of glass have the highest environmental impact. One litre of orange juice has roughly a footprint of a one kg of CO₂ equivalent. This is comparable to organic milk, for example. Other fruit juices can cause similarly high levels of CO₂. Apart from the agricultural phase, where the fertilizers applied have a large impact on climate change, the production of the concentrate is another important factor; this step requires enormous amounts of energy.

¹¹ Cf. Statista, Market share of fruit juice and fruit nectar in the European Union in 2015, by type of packaging: <https://www.statista.com/statistics/421657/fruit-juice-and-nectar-types-of-packaging-eu/> (access: 07 March 2018).



Foto: M. Fischer

Produktname: Orangen Soft
 Produktart: Saft
 Hersteller: Südkorn
 Nettoinhalt: 1,000 l

Bestandteil	100 g	100 ml
Energie	188 kJ	188 kJ
Fett	0,0 g	0,0 g
Kohlenhydrate	9,0 g	9,0 g
Zucker	9,0 g	9,0 g
Salz	0,0 g	0,0 g

Wahrnehmung für einen durchschnittlichen Erwachsenen (Basis: 70 kg Körpergewicht):
 Energie: 188 kJ (45 kcal)
 Fett: 0,0 g
 Kohlenhydrate: 9,0 g
 Zucker: 9,0 g
 Salz: 0,0 g

Produktname: Orangen Soft
 Produktart: Saft
 Hersteller: Südkorn
 Nettoinhalt: 1,000 l

Bestandteil	100 g	100 ml
Energie	188 kJ	188 kJ
Fett	0,0 g	0,0 g
Kohlenhydrate	9,0 g	9,0 g
Zucker	9,0 g	9,0 g
Salz	0,0 g	0,0 g

Produktname: Südkorn
 Produktart: Saft
 Hersteller: Südkorn
 Nettoinhalt: 1,000 l

Bestandteil	100 g	100 ml
Energie	188 kJ	188 kJ
Fett	0,0 g	0,0 g
Kohlenhydrate	9,0 g	9,0 g
Zucker	9,0 g	9,0 g
Salz	0,0 g	0,0 g

Produktname: Südkorn
 Produktart: Saft
 Hersteller: Südkorn
 Nettoinhalt: 1,000 l

Bestandteil	100 g	100 ml
Energie	188 kJ	188 kJ
Fett	0,0 g	0,0 g
Kohlenhydrate	9,0 g	9,0 g
Zucker	9,0 g	9,0 g
Salz	0,0 g	0,0 g

Produktname: Südkorn
 Produktart: Saft
 Hersteller: Südkorn
 Nettoinhalt: 1,000 l

Bestandteil	100 g	100 ml
Energie	188 kJ	188 kJ
Fett	0,0 g	0,0 g
Kohlenhydrate	9,0 g	9,0 g
Zucker	9,0 g	9,0 g
Salz	0,0 g	0,0 g



4

THE RETAILERS



Photo: CIR

The orange juice supply chain is extremely complex. There is a large consolidation of juice manufacturers in Brazil, bottlers in Europe and retail in Germany. The retail sector is the bottleneck in the supply chain. In Germany, price is a major selling point for food and drinks. People in Germany are already buying cheaper food and drinks than ever before. In the 50s, for example, the average person spent 44 percent of their consumer spending on food, in 1970 it was still 25 percent, and in contrast, today little more than 10 percent is spent on food.

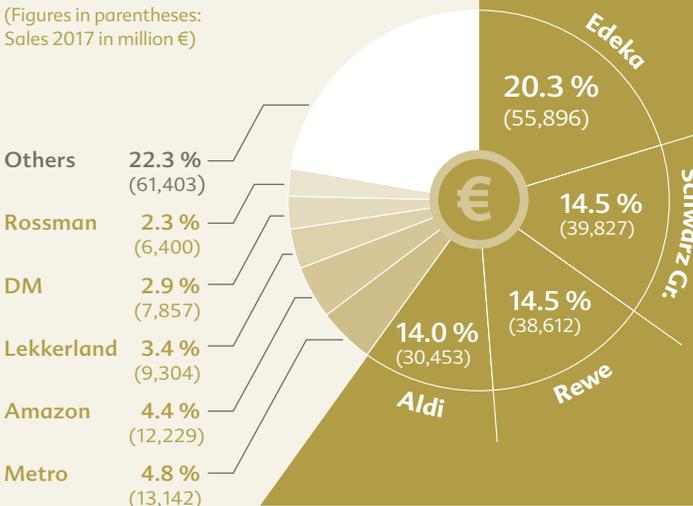
The development of own brands is an important strategy of the retail trade to lower prices and at the same time increase the profit margin and bind consumers. They can now be found in almost all quality segments, i.e. from the entry-price segment (Gut und Günstig at ► Edeka (p. 63)) to premium brands (Feine Welt at ► Rewe (p. 66)). The reason is simple: Own products promise up to 25% higher margins. At the same time, these products are 20 percent cheaper in sales than the average. At more than 80 percent, the ► Aldi Group

(p. 68), has the largest share of own brands, followed by the ► Schwarz Group (Lidl and Kaufland) (p. 70) with over 60 percent.¹ Although own brands have only in recent years gained strongly in significance, they are not an invention of the recent past. In 1912, the first products were labelled with the Edeka logo. Own brands are especially strong for goods where the brand image is relatively unimportant from the perspective of the consumer – like with the orange juice. About 66 percent of the orange juice in Europe is sold as an own brand.² In Germany, the share was about 44 percent in 2016.³

1 Cf. Handelsblatt: Edeka, Lidl and Aldi - The triumph of own brands, <http://www.handelsblatt.com/unternehmen/handel-konsumgueter/edeka-lidl-und-aldi-der-siegeszug-der-eigenmarken/20976860.html> (access: 13 March 2018).
 2 Global Market Information Database EuroMonitor, on juice, July 2016.
 3 Cf. Statista, market share of brands in fruit juice in Germany from 2014 until 2016: <https://de.statista.com/statistik/daten/studie/398792/umfrage/marktanteil-von-handelsmarken-bei-fruchtsaft-in-deutschland/> (access: 13 March 2018).

Market share of retail companies in Germany

(Figures in parentheses: Sales 2017 in million €)



Sales locations

number 2017

EDEKA GROUP

Full range	6,596
Netto	4,218
Other distribution channels	2,832

SCHWARZ GROUP

Lidl	3,219
Kaufland	660

REWE GROUP

Full range	4,987
Penny	2,160
Other distribution channels	385

ALDI GROUP

Aldi Süd	1,890
Aldi Nord	2,250

The price of a litre carton of orange juice, which can be bought in a German supermarket or discount store as a brand for 0.89 euros, is composed as follows:



Purchase price in the supermarket: 89 cents

VAT (19 % on net price): 14.2 ct.

Net price: 74.8 ct.

Cost and profit for retail: 18.7 cents

Purchase price for retail: 56.1 ct.

Cost and profit for bottlers: 24.8 cents

Purchase price for bottlers: 31.3 ct.

Transport port – bottlers (1%): 0.8 ct.
(average 379 km)

Customs (12.2% on import price): 3.3 ct.

Import price at the port in Europe: 27.1 ct.

Cost and profit juice producer:

16.0 cents or 21.4 cents *

Cost and profit supply plantations:

8.0 cents

Labour costs on the plantations:

3.6 cents or 6.2 cents *



* Labour costs on the juice industry's own plantations are approximately 7%, on the independent supplier plantations only 4%.



VALUE CHAIN IN FIGURES

Orange juice is predominantly sold for less than a euro per litre and on the European market is thus almost as cheap as water. With an estimated gross retail price of 89 cents for a litre of orange juice in Germany, nearly 28 cents per litre would have to cover the costs for the production of oranges and the profit

margins of producers and the juice industry.⁴ The percentage for these production steps at the lowest end of the value chain therefore amounts to less than one third.

⁴ The litre price for orange juice of €0.89 in Germany was used to determine the distribution of profits within the value chain. In addition to the retail price, the average use of 238 crates of oranges (around 9,700 kg) for the production of one ton / tonne of FCOJ (66 ° Brix) and the legally prescribed reconstitution of 11.2 ° Brix formed the parameters for the calculation.

EDEKA: Largest juice distributor



Edeka is Germany's most important juice distributor with a market share of 25.3 percent. In recent years, the company repeatedly featured in the headlines with the discontinuation/delisting of branded goods; this was always the case when the top management of the group in Hamburg was unable to agree on a price with a supplier. Edeka conducted its latest showdown with the purchasing alliance Agecore (see box). With the united strength of a gross turnover of 140 billion euros, the alliance, which is composed of Edeka, Intermarché Coop Switzerland among others, wants to impose better conditions with Nestlé. Nestlé has a total turnover of about two billion euros with Agecore retailers (box), who are active in ten European countries. In Germany, where the Nestlé Group is expected to generate more than one percent of its global sales, amounting to 90 billion Swiss francs (EUR 76,95 billion)⁵, with the supermarket giant Edeka, the approximately 4,000 independent Edeka

ALIDIS / AGECORE

Founded	2002
Headquarters	Switzerland
Members	Eroski, Edeka, Intermarché, Colruyt, Conad und Coop Schweiz
The main objective	Procurement of branded goods
Points of sale	21,800 shops
Sales	140 billion euros

Cf. SOMO, Eyes on the price – International supermarket buying groups in Europe, 2017: <https://www.somo.nl/wp-content/uploads/2017/03/Eyes-on-the-price.pdf> (access: 18 February 2018) p. 3

retailers all received a circular letter. Step by step, 163 Nestlé products are now set to disappear from the shelves. The dump is a hard financial hit for Nestlé. For small and medium-sized suppliers, it would mean financial disaster. They are dependent on the listing at Edeka.

Edeka now has network of approximately 11,000 branches, an annual turnover of 50 bil-

⁵ Rate of exchange on 13 March 2018: https://www.finanzen.net/waehrungsrechner/schweizer-franken_euro (access: 13 March 2018).

lion euros and collects every fourth euro that customers in Germany spend on food. »Einkaufsgenossenschaft der Kolonialwarenhändler“, short Edeka, has thus emerged as the undisputed number one from the increasing concentration of German food retail in recent decades. Edeka took over Spar, Netto- Marken-Discount, and most recently a number of branches of Kaiser-Tengelmann, among others. The headquarters in Hamburg also maintains Edeka Fruchtkontor, which is one of the largest fruit importers in Europe. With its 1,400 products-strong range its own brand Gut und Günstig, Edeka orientates itself towards Aldi - prices from Essen and Mülheim determine the entry-level segment. Although the Edeka group is also an important distribution channel for regional companies, since the 4,000 self-employed Edeka merchants who form the legal basis of the group procure a share of their goods regionally, but the manner in which Edeka negotiates prices and plays suppliers off against each other, is, according to the Monopolies Commission, which voted against the takeover of Kaiser-Tengelmann, tough as nails. With the acquisition of Kaiser-Tengelmann, the pressure on suppliers has only increased: Delisting, i.e. deletion from the product range, have been threatened, and loyalty payments have been demanded.

However, the group not only relies on hard negotiating, but increasingly on so-called vertical market penetration: Edeka maintains 15 self-owned meat works, operates 17 regional bakeries and produces its own fruit juices through the company Sonnländer. In 2012, the Edeka Group took over four locations of the Elro group, one of the major fruit juice manufacturers in Germany headquartered in Rostock. The acquisition package includes two produc-



Juice packaging at Edeka

tion facilities: an organic fruit plantation and an apple and-press plant. The Federal Cartel Office noted in the acquisition of Trinkgut by Edeka that the company dominates the sale of non-alcoholic beverages and stressed that Edeka was able to enforce better conditions in the procurement of beverages and gain advantages over competitors. But the expansion went further: In December 2017, Edeka acquired albi GmbH & Co. KG⁶, one of the leading fruit juice manufacturers in Germany. In the past, Albi supplied REWE, Real, Metro, Kaufland, Edeka and Penny, and the juice manufacturer was also behind own brands of Aldi and Lidl. However, after the takeover, the other supermarkets terminated their contracts. Albi has instead been strengthened within the Edeka group and shall in future become the most important juice brand of the discount store giant Netto. The one-litre carton should initially cost 99 cents, so temporarily one-third cheaper than at Rewe and co. Hohes C and Granini will moreover soon disappear from Netto's product range.

Edeka imports orange juice concentrate

⁶ Juice producer Albi belongs to the company and has been on the market for 90 years. Albi manages around 100 million bottlings annually and has a turnover of more than 100 million euros.

Photos: M. Fischer

directly from Brazilian juice manufacturers and has its own bottling plants. With the acquisition of juice bottling plants, Edeka is attempting to implement an independent supply with drinks and thus follows a general trend in the food industry. The trend is to assume control over more and more stages, and in the end even the entire supply chain. According to the union 'Nahrung, Genuss, Gaststätten (NGG)', many workers in the bottling plants suffer as a result of the increasing price pressure. At the moment, wages are paid according to tariff, but the company is increasingly questioning the financial sustainability of the collective bargaining system/coverage.

The Edeka group is one of the largest em-

ployer in Germany with a total 351.500 workers. However, as such, the group repeatedly comes under criticism: The work climate and management style are said to be poor. Netto staff, for example, (including executives) and representatives of the union Ver.di accused the company of placing employees under huge pressure. In addition, plant workers were used like permanent employees for years without being paid accordingly. The collective bargaining system and the participation rights are undermined by the increasing privatization of branches.

Under the brand name Edeka Bio, the chain's product range contains an ► **EU-Bio** (p. 74) certified orange juice.

►► Statement Edeka

Edeka has responded to the study and sent "several facts to exemplarily underline our commitment":

► "The orange juice suppliers of our own brands have confirmed the ► **BSCI** Standard (p. 73) or similar independent standards (SEDEX, ► **SGF** (p. 78), IRMA, AYIN, Code of Business Conduct, ► **Rainforest Alliance** (p. 77)). The objective is to examine the local conditions according to a clear set of criteria and to initiate improvements where necessary. EDEKA is also initiating a project together with a Brazilian supplier to improve the social conditions (certification in compliance with Rainforest Alliance/SAN-standard) and to strengthen the regional economy.

► EDEKA demands the adherence to minimum social standards from all its suppliers. It is a major concern for EDEKA to participate in achieving a lasting improvement of the work-

ing conditions at our suppliers worldwide and EDEKA is committed to promoting the establishment of structures to introduce and monitor social standards along the supply chain. As a member of the Business Social Compliance Initiative (BSCI), we support all initiatives of the BSCI that aim to improve working conditions and comply with human rights and statutory requirements. Among other things, we promote the certification of suppliers, as well as the further development of certification levels and certification systems.

► In 2017, EDEKA furthermore incorporated the topic of "Supply chain management of critical agricultural commodities" into its work on sustainability. The objective is to make not just individual products but entire supply chains sustainable in the long term and on a systematic basis. The basis is a web tool that shows potential environmental and social procurement risks as well as options for action and possibilities of risk mitigation through sustainable procurement measures."



In the 1920s, Edeka prevented the accession of further cooperatives in order to maintain the dominance of its own local merchants. The spurned local cooperatives joined together regionally. One of these mergers was AG Westkauf Köln in 1920, from which the REWE headquarters later emerged (“Revisionsverband der Westkauf-Genossenschaften”). The objective, analogously to Edeka, was to negotiate favourable purchasing conditions with the affiliated cooperatives with suppliers for the self-employed merchants. The co-operative structure has been maintained until today.

In 1973, REWE’s market share dropped to the historic low of 6.3 per cent. This led to a paradigm shift at the Rewe headquarters. REWE henceforth no longer focused primarily on the wholesale and service for independent cooperatives, but entered into co operations and holdings, such as with the Leibbrand Group with the distribution channels HL, Penny, Minimal, toom and Idea-Drogerie. The Group acquired the Extra-Märkte of Metro AG, various Plus and Kaiser branches and the DIY stores and garden centres of the Marktkauf-Kette that belonged to the Edeka Group. As a result of this continuous expansion strategy, Rewe has transformed itself to become number three in the food retail sector. Similar to the Edeka Group, many of the more than 1,000 independent Rewe retailers are bound by loans and leases to the branches and their headquarters. There are hardly any collective agreements and works councils in these branches.

The REWE stores have a product range of up to 30,000 products, which vary depending on the size and distribution channel (full-range supermarkets, organic supermarket etc.). The share of branded products amounts to 70 to 80 percent. The REWE Group offers a

range of own brands, including Rewe (standard brand), Rewe Bio (organic products), Rewe Feine Welt (premium brand) and Ja! (discount brand).

The Rewe Group pursues a two-stage procurement strategy. Thereby, REWE-Zentralfinanz bundles a number of overlapping products of Rewe Markt GmbH and Rewe Dortmund. Conditions with suppliers are negotiated centrally in advance. Rewe agrees season deals on fresh fruit and vegetables and relies increasingly on contract farming. In addition, Rewe is a member of the European purchasing cooperation **Cooper-nic** (see box).

COOPERNIC	
Founded	2006
Headquarters	Germany
Members	Coop Italy, Ahold Delhaize, Leclerc, Rewe
The main objective	Procurement of international brands. Additionally, there is a cooperation with own brands
Points of sale	28,500 shops
Sales	142 billion euros

Cf. SOMO, 2017: p. 3.

Since the publication of the first study of orange juice 2013⁷, Rewe showed itself to be open for dialogue to improve the working conditions in the value chain of orange juice and stressed this in its response to the present study:

⁷ Cf. Christliche Initiative Romero/ver.di: Targeted — orange juice from Edeka, Rewe, Lidl, Aldi & co. Blind to labour rights?, 2013.

Statement Rewe

The Rewe Group has no direct relations with the mentioned manufacturers of orange juice concentrate, but instead sources the orange juice from bottlers. These in turn source the concentrate from different manufacturers with different origins. We take our responsibility along the entire value chain very seriously. The Rewe Group uses the guidance for sustainable business already published in 2011 for all its business relations. This is based on the universal declaration of human rights by the United Nations, the conventions of the International Labour Organization (ILO) and the UN Global Compact. It includes, inter alia, the prohibition of forced labour and exploitative child labour and the fair treatment of employees. In the event of deliberate gross disregard of the values described in the guideline, the Rewe Group reserves the right to impose penalties all the way through to the termination of business relations.

The Rewe Group works actively towards the further development of social and labour standards. In this context, we rely on the intensive cooperation with standard organizations and are constantly analysing risks of the

violation of social and labour standards in the supply chain of critical raw materials. As a member of the Steering Committee, Rewe has been active within the **Juice CSR platform** (p. 76) to improve the social and environmental conditions in the supply chains of the fruit juice industry since 2016 and is committed to the AIJN codeCof Business Conduct.

With orange juice with the PRO PLANET label, REWE Group focuses on the certification of the environmental organization **Rainforest Alliance** (p. 77): 60 percent of the REWE Group's own brand orange juices are already certified and can be found in REWE and PENNY supermarkets with the Rainforest Alliance seal. The origin of the oranges that are used for the PRO PLANET orange juice can be traced all the way back to the plantation: One hundred percent of the orange juice with the PRO PLANET label comes from Rainforest Alliance-certified farms. Manufacturers with the Rainforest Alliance seal are certified to the SAN standard of the Sustainable Agriculture Network. This sets out clear requirements for occupational safety and health. In addition, workers receive at least the statutory minimum wage, work regulated working hours, have the right to organize and access to complaints management.



Juice packaging at Rewe

Photos: M. Fischer

ALDI: The art of omission



The Aldi discount principle was directed primarily against supermarkets and corner shops.

The basic idea was to reduce the sale to the essentials: no expensive shop equipment, no decorations and no advertising. The goods were sold directly out of the boxes from pallets or wooden shelves. In 1961, the year of its founding, the brothers Karl and Theo Albrecht reduced the range of products to about 300 products: so-called fast moving, i.e. often sold, basic foodstuffs. There were no duplications in the range and no perishable fresh goods. All this saved on costly goods maintenance, service, expensive cooling equipment and energy costs. Store staff was kept to a minimum, all employees had to be able to manage

the key work steps re-

250,000 employees.

In addition to restricting product diversity, the procurement strategy is a key reason for Aldi's cost leadership. The group generated a total of 95 percent of its sales with own brands. Orange juice, for example, is sold under the brand name Rio d'oro (Aldi Süd) or Sonninger (Aldi Nord). Both company groups also have organic juices, juices for children and adolescents and additional own brands of orange juice. Since 2014, Aldi South also sells its own — Fairtrade-labelled brand "One World" (p. 74) orange juice, Aldi Nord sells orange juice from concentrate under the own brand of Fair. Organic orange juice is offered again and again as a promotional product.

Although Aldi Nord and Aldi Süd have a very strong purchasing power with suppliers due to the large quantities, they largely source their goods separately. There are, however, regular meetings at the top level and an intensive exchange between the individual departments. Assortment management, supplier terms and pricing among other things are coordinated. Both have a strong base of system suppliers, including the juice suppliers. Stute Nahrungsmittelwerke in Paderborn is among the main suppliers of Aldi. Business relations between the supplier and the juice manufacturers in Brazil have existed for many years. The purchase prices are set through joint negotiations and determined by general market conditions.

On the one hand, Aldi's procurement practice provides a reliable frame of reference for scope and delivery deadlines for suppliers, but on the other hand they run the risk of becoming dependent on the discount store. It becomes particularly critical if they provide more than 50 percent of their capacity to the retail chain. Aldi can very quickly dump a sup-



Juice packaging at Aldi

Photos: M. Fischer

quired for sales in the store. These principles have enabled Aldi (short for Albrecht discount) to become the largest discount store – with more than 10,000 stores in 18 countries, revenues of 62.2 billion euros and more than

plier. A product does not stay in their product range if sales are poor. Of some 1,000 articles in their product range, roughly 350 are replaced or changed significantly every year. There is rigorous price control - from procure-

ment to sales. Competitors are also exposed to Aldi's dictating of prices: If the discounter reduces the price, the competition follows suit with their own brands in the entry-level segment within just a few hours.

» Statement Aldi

Aldi Nord: As an international retail company, we are aware of our corporate responsibility. It is very important for us that the production and processing of goods takes place with respect for man and the environment. A company's commitment alone is often not sufficient to ensure compliance with social and environmental standards and to improve the situation in the producing countries. We therefore try, wherever possible and useful, to become engaged together with other key players from business, politics and civil society.

Aldi Süd: [...] The described conditions neither reflected what ALDI Süd stands for, nor can our suppliers confirm the allegations in general.

We are pleased to demonstrate to you that we have intensified our commitment in this area since your last publication on orange juice from Brazil: Since 2014, we offer ► **Fairtrade**-certified (p. 74) juices and nectars in our standard product range.

Aldi Nord: In addition, we currently have ten Fairtrade products under our own brand, FAIR, which we introduced in 2015. These include three Fairtrade-certified juices and nectars.

(Wording Aldi Süd, is consistent with Aldi Nord's statement in terms of content, in some cases word for word): We are pleased that our customers embrace this offer and that we thus further promote the effectiveness of Fairtrade in producer countries. We hereby view our Fairtrade-certified juices not only under economic aspects, rather we want to

promote fair trade in countries of origin such as Brazil and promote the offer more widely in the German population.

In addition to our Fairtrade-certified juices, we are currently re-organising all our juices made from orange juice concentrate for ► **Rainforest Alliance** certification (p. 77). This transition started several months ago and will be completed in April 2018. As you describe in your publications, the market for orange juice concentrate from Brazil is very concentrated and is served by a few players. Accordingly, initiatives to improve the situation for orange manufacturers and their workers can only be driven forward together with many actors from an industry. [...]

For this reason, in May 2017 we joined the ► **Juice CSR Platform** (p. 76), a multi-stakeholder initiative, in which representatives of the fruit juice industry, food retail and civil society are dedicated to achieving greater sustainability in the fruit juice sector. [...] We are active in the work group "Orange juice from Brazil" in order to place a special emphasis on working conditions on Brazilian orange plantations. [...]

We maintain long-term relationships with our suppliers. Our suppliers are also committed to a sustainable supply chain of orange juice, for example by adhering to the AIJN code of conduct or through membership in the juice CSR platform.

We are aware that the consistent improvement of labour, social and environmental standards in Brazil is a long-term process, one that we naturally continue to pursue in addition to our own quality and safety efforts.

LIDL: Rapid growth



Since the early 90s, Lidl has been the fastest expanding discount store, both in Germany and internationally. Together with the subsidiary Kaufland, which operates hypermarkets and supermarkets, Lidl belongs to the eponymous Group of the entrepreneur Dieter Schwarz. Lidl's presence on the international market is significantly greater than that of its main rival, Aldi. Lidl is active in almost all European countries. In Germany alone, Lidl has 68,000 employees and generated a gross revenue of EUR 22.5 million in 2016.⁸ Like Aldi, Lidl presents most of its products in their original transport packaging, where they are taken out directly by the customer. If the box is empty, it is replaced with a full one. The number of employees is kept to a minimum. It is thus possible to make a profit, even at low prices. Food forms the core range of the discounters. Lidl is untypically diversified in German stores with up to 2,000 articles; rival Aldi nowadays only offers 800 to 1,000 food and drink items. Nevertheless, Lidl is also regarded as a hard discount store and was oriented from the start largely towards the success of the competitors. The core of this concept is extreme pressure on all cost factors and thus major staff shortages. Lidl generates the majority of sales with its own brands, but also has a share of 22 percent of branded products in its product range. This is how the discounter wants to stand out from the competition. Its image as a low-cost supplier compared to supermarkets and other forms of distribution is also reinforced by special offers. Because only

the prices of branded products can be directly compared. Like Aldi, Lidl offers weekly changing promotion products from various non-food segments, including textiles, household and electronic goods or leisure items.

According to suppliers, Lidl is a very tough negotiator. Additionally, the Schwarz Group invests in self supply. It is continuing to expand the range of products from its own factories. Seven years ago, the company Mitteldeutsche Erfrischungsgetränke was acquired and some time later greatly expanded. The Lidl subsidiary, Solent GmbH, has been producing chocolate and related confectionery since 2008. Since 2012, Bonback GmbH & Co. has been producing pastries and dough pieces for Lidl. With its own production, Lidl wants to become more independent from suppliers. The fruit and vegetable procurement for the discounter is managed through a central platform in Kempen / Lower Rhine. All stores are supplied from there.

Since 2006, Lidl has been selling **Fair-trade**-certified (S. 74) products under the specially developed Lidl brand, Fairglobe, which also includes Fairglobe orange juice

Statement Lidl

Lidl has not provided a statement and was the only retail chain that did not comment on the problems along the value chain.

⁸ Cf. Statista, gross sales of Lidl in Germany from 2007 to 2016 (in millions of euros): <https://de.statista.com/statistik/daten/studie/235940/umfrage/umsatz-der-lidl-stiftung-und-co-kg/> (access: 14 March 2018).



Photos: M. Fischer

Juice packaging at Lidl



Since the publication of the first study of orange juice in 2013, Kaufland, which belong to the Schwarz Group, has been open for dia-

logue to improve the working conditions in the value chain of orange juice and stressed this in its feedback on the present study.



THE CONSUMERS



LABELS, CERTIFICATES AND SIMILAR

Companies not only develop new organic or fair private labels to protect themselves against image damage and state regulation, but rely increasingly on initiatives and certification that promise sustainability – also for orange juice. Here, we present some initiatives and certifications that were named in the companies’ statements. Some are classic labels, such as Fairtrade and Rainforest Alliance, while others are corporate initiatives, such as BSCI or Juice CSR Platform.

To enable rapid assessment, we have introduced a **traffic light system**, which displays each of our average ratings in the categories of **social issues, ecology and credibility**:



Assessment at a glance:

Our “LABEL-TRAFFIC LIGHT SYSTEM”



This simplified representation enables a quick overview at the focuses of the respective initiative and makes a statement about how demanding the label is according to our criteria. A ‘green’ rating, is not a carte blanche, however, because even if the label provides sophisticated standards, problems in the supply chain can occur. There may be a bad review because the focus of the label was on criteria that were not part of our inquiry. More information can be found in our “Guide through the label maze” (see order form p. 85)

Business Social Compliance Initiative (BSCI)

All supermarkets and some bottlers in the present study are members of the Business Social Compliance Initiative (BSCI), a business initiative established in 2003 by the Foreign Trade Association (FTA). The initiative is designed to help companies to improve working conditions in their global supply chains. Suppliers are registered in BSCI’s improvement programme and the adherence to labour standards is evaluated by independent audits. As BSCI members, the supermarkets and bottlers are obligated to implement appropriate improvement programmes when two-thirds of suppliers are in high-risk countries, which also includes Brazil. The BSCI guidelines ap-

ply only to the first stage of the supply chain, for orange juice they are European bottlers in most cases, who are also members of the BSCI. The audits and the audit reports are not publicly available. The social standards only meet minimum requirements. Living wage are not demanded, the right to freedom of association and collective bargaining is not actively supported.



EU-Bio / EU Eco-regulation (organic certification)

The current EU organic certification has been in force since 2010 and is based on different regulations of the European Council (e.g. no. 834/2007 and no. 2092/91), which set out the details for agricultural production, processing, labelling and inspection of organic products. The EU organic label should be viewed as an important statutory minimum standard in organic farming.

In particular, the EU-wide standardisation of controls as well as the tracking of products along the value chain should be highlighted. The EU organic label, however, contains far fewer comprehensive and less demanding

ecological criteria compared to the logos of most organic associations in Germany. In addition, social standards are not verified.



Former German “Bio” label:



Fairtrade

In Brazil, eight orange co-operations are Fairtrade-certified; the majority of which is not located in the state of São Paulo, the main cultivation area for oranges. Long-term supply relationships and the payment of a minimum price to reduce the negative impact of procurement policies and the dependence on the world market price for the cooperatives. Problematic for small farmers and smallholders are the high cost of product certification; also the fact that complete conversion / overhaul is not taking place. By focusing on the mass market, Fairtrade-certified oranges are increasingly grown on large plantations. Cooperatives must work partly with the processing plants of the three juice giants. This is true for two of the eight Fairtrade companies in Brazil: A cooperative delivers certified Orange to Citrosuco and the other one supplies LDC. Two cooperatives produce and export the juice concentrate themselves and the other four cooperatives provide their oranges to other compa-

nies. The Citrosuco and LDC plants handling Fairtrade juice are audited and are

part of the certified supply chain. You must also meet the requirements of the working conditions and the environment. Compliance with the requirements is doubtful in light of the many problems that occur in the other business units of these companies, particularly also because the traceability of juice cannot be guaranteed. Migrant workers’ and temporary workers’ rights cannot credibly be protected with Fairtrade’s current instruments.



Forest Stewardship Council (FSC)

The Forest Stewardship Council (FSC) emerged at the beginning of the 1990s from an initiative by forest dwellers and forest owners, timber processors and timber dealers and representatives from trade unions, environmental and human rights organizations, and was officially founded in 1994 as FSC International in Mexico. The headquarters have been in Bonn since 2003. The FSC standards are aimed at forest certification and certification of the entire wood processing and timber trade chain (Chain of Custody). Orange juice packaging is also certified under FSC. The ecological and social standards are

sufficient. A balanced participation of different stakeholders, including trade unions, in decision-making bodies and regarding the further development of standards lend FSC a high credibility. In particular, the transparent publication of relevant documents such as inspection reports is noteworthy. Despite instruments to measure impact, there is criticism of irregularities, for example, in the awarding of forest concessions and in the processing chain.



Gepa

The fair trade company GEPA “Gesellschaft zur Förderung der Partnerschaft mit der Dritten Welt mbH” was founded in 1975. Today, GEPA is the largest European Fairtrade company, with more than 150 partners worldwide and around 300 food and 600 craft products, including orange juice. GEPA has been collaborating with COOPEALNOR since summer 2015. The Brazilian partner co-operative receives the current world market price for fairly traded orange juice concentrate (at least \$ 2,300 / 1,870 euros) plus a Fairtrade premium (\$200 / 163 euro). Small-scale farmers are paid higher prices for their oranges than is common in the region and training is encouraged.

Gepa works without quantity compensation – a significant logistical effort: This means that the processing plant where the oranges are processed into concentrate by COOPEALNOR is reserved exclusively for one day for these fair oranges.

Gepa’s ecological criteria are good and its social standards are demanding: Living wages are required and the right to freedom of association and collective bargaining is actively supported.. Long-term supply relationships and the payment of a minimum price reduce the negative impact of procurement policies and the dependency on the world market price for the cooperatives. Although Gepa is not an own standard initiative, the label stands for a high level of credibility thanks to direct, transparent value chains, which are largely available for public examination, and the guarantee that fairly purchased raw materials are also contained in the finished product.



GLOBAL G.A.P.



GLOBAL G.A.P. is a company initiative that sets voluntary standards for the worldwide certification of agricultural products. The global G.A.P. certificate, also known as the standard for controlled agricultural business management (Integrated Farm Assurance, IFA), includes a total of 16 standards. It covers all forms of three different product directions: farming, aquaculture and livestock. In addition to IFA, Global G.A.P. offers a supplementary module for the risk assessment for workers' social issues (GRASP). More than 160,000 manufacturers in 120 countries are currently certified by Global G.A.P.

However, the social and ecological criteria are insufficient. Living wage and fair procure-

ment policies are not demanded, local players are not adequately involved and genetically modified organisms may be used. The CA database with information on all manufacturers and members is particularly noteworthy. However, interest groups such as trade unions and NGOs are thus far not included on a level footing in decision-making processes, meaning its credibility is not convincing.



Juice CSR Platform



The Juice CSR Platform was established in 2013 by AIJN, Sociability, IDH, UTZ Certified and AZTI-Tecnalia and co-financed by the European Commission. Members are manufacturers, large fruit processors, as well as the largest fruit juice manufacturers and distributors in Europe. Since September 2017, a working group has been formed for oranges from Brazil and another for pineapples from Thailand. The objective of this work group is to agree on a common approach for activities: A (new or existing) cooperation programme with the aim of tackling the main issues of the juice value chain for this specific combination of country harvest.

The Juice CSR Platform only makes recommendations for social and ecological criteria. The criteria are neither demanding nor is

the initiative particularly credible. External interest groups such as trade unions and NGOs are not centrally involved in decisions on an equal footing. It therefore cannot be seen as a credible multi-stakeholder initiative.

Rainforest Alliance

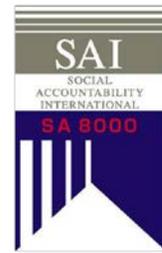


The goal of the Rainforest Alliance certification (RA) is that no forests should be cleared for agriculture and that flora and fauna is protected. Rainforest Alliance also certifies according to social criteria and works with the latest standards of the Sustainable Agriculture Network (SAN), a global network of sustainable agriculture organizations. The alliance educates farmers. One goal is to ensure the quality for the future. Fewer pesticides should be used, for example. Furthermore, farmers are provided with management systems to secure better working conditions. Currently, 19 certified orange farmers in Brazil are represented in SAN. RA publishes the summaries of audit reports. Together, Citrosuco, Cutrale and LDC

have 16 RA-certified plantations (LDC 11, Citrosuco 3, Cutrale 2). The juice processing plants of the three companies are not part of the control system.



SA8000 – Social Accountability International



The American non-governmental organisation, Social Accountability International (SAI), developed the SA8000 standard for the auditing and certification of working conditions and rights of workers in manufacturing and service companies. Companies, governments, trade unions and non-governmental organizations are involved in the decision-making processes in SAI. The SA8000 standard was launched in 1997.

The social standards are demanding: Living wages are required and the right to freedom of association and collective bargaining is actively supported. The certification focuses on the individual factory or plantation. The responsibility for compliance with the standards lies with the factory owners and suppliers, not with the brands and dealers. Thus,

the negative impact of procurement policies on working conditions are not sufficiently considered. SAI is characterised by an average level of credibility: It is a multi-stakeholder initiative and includes trade unions and other civil society actors in decision-making bodies on an equal / a level footing.



SAI Platform



The SAI platform is a business initiative of the food industry, which was founded by Nestlé, Unilever and Danone in 2002. Its main goal is to secure a steady, growing and safe supply of agricultural raw materials. Core activities of the program are building up capacities of its member companies and communication on sustainable agricultural practices with regards to the food industry and other interest groups.

The platform develops methods and guidelines that are designed to help member companies establish sustainable procurement and agricultural practices, for example, through an assessment of the sustainability of the cultivation operations (Farm Sustainability Assessment, FSA). The platform currently has more than 90 active and associate members, including the bottlers of Coca-Cola and PepsiCo, as well as the juice giants Citrusuco and LDCs.

The FSA only makes recommendations concerning social and ecological criteria that are inspected only when member companies wish to make public statements about their suppliers. The criteria are neither demanding, nor is the initiative particularly credible. Its own effectiveness is not measured, there are no transparency criteria with regards to the traceability of the final product, and external interest groups such as trade unions and NGOs are merely included on advisory councils but not involved in decisions.



SGF International



SGF International is a business initiative of the fruit juice industry. The initiative works with a voluntary control system (VCS) with the primary aim of ensuring food safety and quality of products in accordance with the statutory provisions. SGF certifies fruit-processing enterprises, bottling plants, distributors and brokers of fruit juices, as well as transport companies and cold storage warehouses.

The initiative goes back to the fruit juice industry association founded in 1974. More than 650 companies in 60 countries are currently members. Although the association's name of "Sure-Global-Fair" suggests demanding, i.e. fair social standards, the standard does not even include common legislation or even

the ILO core labour standards or other relevant international agreements. Credibility is also inadequate: In this initiative, the Brazilian juice manufacturers (Louis Dreyfus Commodities, Sucocitrico Cutrale, Citrusuco) sit together in the key decision-making bodies with the largest European bottlers (Refresco, Eckes-Granini, Mare food works).



What can you do as a consumer?

▶ **Make the right choice when shopping!** Opt for certified orange juice. With ▶ **Gepa** (p. 75) and ▶ **Fairtrade** (p. 74), the small manufacturers secure better prices, organic agriculture does not use pesticides and ▶ **Rainforest Alliance** (p. 77) also has stricter standards for pesticide use.

▶ **Write to your retailer!** Ask them where the juice comes from, whether they care how it was produced and whether they think that the consumers want to drink orange juice that may have been produced in slave labour and destroys the environment in the production countries.

▶ **Act sustainably!** Take public transport, walk or ride the bike to the grocery store. If possible, buy reusable packaging..

Do not forget: As a consumer, you hold a certain power through your choice of products – even over large corporations. Retail and other actors in the supply chain must assume responsibility for the conditions of production – as well as those politically responsible for the conditions of production and consumption. Take action and remind them of their responsibilities!

Demands on policy makers and retailers

Abel Barreto at the founding meeting of the international juice network in Atibaia (São Paulo), June 2015:

»» *The juice industry constantly makes a profit while the people remain in poverty. We are therefore not going to stop fighting. Our trade union structures are outdated, the capital has long since become international. Trade unions that do not look beyond the horizon are useless. We need international solidarity and must overcome borders.»*



Photo: CIR

In July 2015, the orange network was founded in Atibaia, Brazilian. It is an exchange platform by and for workers in the juice supply chain - from the rural sector to the supermarket. The network of “International solidarity between workers along the orange juice supply chain” is supported by trade unions such as ver.di in Germany, FERAESP, CUT, and CONTAC in Brazil. It receives support from the Trade Union Network TIEGlobal and from NGOs such as the CIR. The network has outlined the following core issues within the orange juice supply chain: Precarious employment, low wages, excessive working hours, dangerous jobs, lack of safety and discrimination.

Together with the network, CIR calls for the actors along the value chain to promote decent working conditions:

- ▶ **Elimination of precarious work conditions**
- ▶ **Living wages and transparent wages**
- ▶ **Right of access for trade unions to employees, especially on plantations**
- ▶ **Compliance with health and safety standards in the workplace**
- ▶ **Transparent and shorter working hours**
- ▶ **Trade union strategies against market concentration**

DEMANDS ON RETAILERS AND ORANGE JUICE PRODUCERS:

In order to improve the social conditions along the supply chain for orange juice, the companies must:

- ▶ comply effectively with their human rights due diligence and note/understand, reduce, process their impact on human rights violations and prevent human rights violations;
- ▶ in order to do so, companies need to expand their code of conduct; the implementation, the monitoring, and the proof that such a code of conduct is adhered to should be ensured through direct contact with trade unions and non-governmental organisations in a credible multi-stakeholder initiative (MSI).
- ▶ Since such an MSI currently does not exist for the orange juice supply chain, companies should proactively take action in trying to form such an MSI and use their influence to improve existing certifications.
- ▶ Companies must ensure that freedom of association is protected with all subcontractors and at all stages of the supply chain.
- ▶ Companies must make sure that employment is voluntary at all levels of the supply chain (i.e. it is neither forced nor does it consist of slave labour). Business relationships with companies that apply such practices and are on the dirty list (see p. 27 et seq.), should be avoided, or improvements should be secured transparently and proactively on the plantations

The supermarket chains must furthermore work proactively and continuously to minimise the environmental impacts of orange juice production. This includes, for example:

- ▶ measuring pollution in accordance with transparent and internationally recognised methods;
- ▶ the implementation of recognised environmental management systems.

End the exploitation of workers and the destruction of the environment along the orange juice supply chain – immediately!

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ABOUT US

The Christian Initiative Romero (CIR) has stood up for work and human rights since 1981. At that time, civil wars in Central America drew attention. Today, it is the reports about people who produce clothing in huge factories, dissect chickens or work on plantations: They produce for the world market under degrading conditions and unhealthy surroundings for a wage that is not even enough for a dignified life. The CIR wants to build a bridge between countries in the south and Germany. On the one hand, it supports partner organizations in the region that promote improvements in living conditions. It has close contacts with women's rights, labour rights and human rights organizations in Central America and Brazil. On the other hand, in the sense of its namesake, the Salvadoran Archbishop, Oscar Arnulfo Romero, who was murdered in 1980, it is committed to speak up against unfair conditions and takes the side of the victims of globalization. In Germany, it provides information about the precarious work situation in countries in the south and launches protest campaigns, e.g. as a member of the international clean clothes campaign or the network 'Meine Landwirtschaft'.

For more information, go to www.ci-romero.de

TOGETHER FOR JUSTICE!

European supermarkets exert massive pressure on their suppliers to produce cheaper and cheaper. The pressure is passed through the supply chain down to those who produce our food all over the world: Workers in Brazilian slaughter factories report accidents and chronic joint pain, orange pickers are exposed to the sun and pesticides without protective clothing. And their pay is usually not even enough for a dignified life. Through our work, we raise awareness and force corporations and politicians to comply with labour rights. We raise our voices in solidarity with those who are otherwise not heard. This work costs money. That's why we ask for your donation.



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This study describes how orange juice gets onto the shelves of local supermarkets and discount stores — from the cultivation of the fruit to the marketing of the juice. Research findings from Brazil and Europe highlights issues that food retailers would prefer to keep hidden: Dependency and exploitation. The focus is on the juice producers Cutrale, Citrosuco and Louis Dreyfus company (LDC), and the main bottling companies in Europe.

In 2017, the CIR partner organization of Repórter Brasil interviewed orange pickers on smaller plantations on our behalf. They often harvest without work papers as day labourers. There was no protective clothing, fresh water was not provided. They regularly work more than ten hours a day and also do not get the weekly day of rest.

The investigation focuses on case studies of workers and cases that were pursued by trade unions or by the Federal Public Prosecutor's Office for labour law. In addition to examining general offences that are punishable by fine notices, it particularly examines the offence of slave-like work.

