

Corporate Social Responsibility (CSR) – coming to farm near you.



Sep 7, 2016
Florida Tomato Institute
Naples, Florida

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Take home messages:

- CSR driven by retail firms protecting/enhance their “brand”;
- Implications down the supply chain;
- Labor management for agricultural operations key element of CSR.

CSR Definitions

- Three components:
 - Communitive development (philanthropy)
 - Environmental stewardship (greenness)
 - Human rights/worker welfare

Consumer Interest?

Mutual funds – Socially Responsible Stock Funds

Year	Trillion dollars
1997	1.19
1999	2.16
2012	3.74
2013	6.57
	(~16% of total wealth in mutual funds)

<http://www.ussif.org/>

Consumer Preferences - CSR

Mohr, Webb & Harris. 2001.

Journal of Consumer Affairs 35(1):45-72

73% positive or extremely positive CRS firms

39% actively buying from CSR firms

(25% “contemplating” SR buying habits)

Three themes:

1. Consumers believe firms profit from CSR
2. Divergence of opinion
 - Spending important for economic growth
 - Spending to make a “quality of life” difference
3. Consumers want more information about CSR

UN Global Compact

- August 2005
- 8,000 companies world wide
- Commitment to Ten Principles
 - Human Rights (2)
 - Labour (4)
 - Environment (3)
 - Anti-Corruption (1)

<https://www.unglobalcompact.org/what-is-gc/mission>

UN Global Compact – USA Food/Beverage Companies

Name	Sector	Joined	Name	Sector	Joined
Archer Daniels Midland	Food Producers	7/22/2016	Harvest Song Ventures	Food Producers	4/4/2011
Kellogg Company	Food Producers	6/10/2016	Monsanto Company	Food Producers	9/17/2009
Balzac Brothers & Co., Inc	Beverages	3/14/2016	Molson Coors Brewing Company	Beverages	7/29/2009
Vita Forte Inc	Food Producers	1/18/2016	Allied Specialty Foods, Inc.	Food Producers	7/16/2009
Signature Estates	Beverages	1/18/2016	Campbell Soup Company	Food Producers	5/22/2009
Mars, Incorporated	Food Producers	7/9/2015	PepsiCo, Inc.	Food Producers	11/11/2008
Bunge Limited	Food Producers	7/7/2015	Talier Trading Group, Inc.	Food Producers	10/30/2008
Stevia First Corporation	Beverages	4/30/2015	General Mills	Food Producers	4/16/2008
Taher Inc	Food Producers	12/10/2014	Coca-Cola Enterprises Inc.	Beverages	3/26/2007
South Cone Alliance, LLC	Food Producers	3/6/2014	Deans Beans Organic Coffee	Beverages	2/11/2007
Bowman Organic Farms Ltd.	Food Producers	6/24/2013	The Coca-Cola Company	Beverages	3/14/2006
Solorganics, LLC	Food Producers	2/21/2013	Starbucks Coffee Company	Beverages	4/8/2004
Horner International	Food Producers	3/27/2012	Keurig Green Mountain, Inc.	Beverages	3/11/2004
South Commerce Group	Food Producers	4/8/2011	(27 companies less 7 expelled)		

Florida Tomato Growers and FFSC Participating Buyers (14)

Restaurant	Supermarkets	Food Service
Burger King	Ahold USA	Aramark
Chipotle Mexican Grill	The Fresh Market	Bon Appetit Mgmt Co
McDonalds	Trader Joe's	Compass Group
Subway	Wal-Mart	Sodexo Group
Yum Brands	Whole Foods	

Source: <http://fairfoodstandards.org/15SOTP-Web.pdf>

FFSC and SAI

- FFSC code of conduct (2011) focus on agricultural production.
- SA8000 International code of conduct (1997/2014) covers all businesses.
- FFSC and SA8000 codes very similar.

SA8000 Components -existing laws

Component	Provisions	Federal/State agency
Child labor	Discouraged SA8000: <15 yrs Florida: <18 yrs	DOL/DBPR
Forced Labor	Prohibited	Dept of Justice/US Attorney
Discrimination	8 protected classes	EEOC/ FL Human Rights Commission
Working hours and pay	Minimum wage Std week (SA8000, 48 hrs) Overtime	DOL/DBPR
Safe & Healthy Workplace	Minimize risks / PPE Safety training Clean bathrooms	OSHA EPA (WPS)
Disciplinary Practices	Corporal punishment prohibited.	Felony prosecution of physical abuse

Other SA8000 Components

Component	provisions
Freedom of Association (FL Right to Work State)	Formation of unions or company level worker organization
Management Systems	Written policies; Joint worker/management committees; Grievance and complaint resolution process; Supply chain compliance with SA8000 code; 3 rd party audits.

Is CSR Sustainable?

- Consumer support (?)
- Transparency / Accountability
 - Is CSR real or just a PR campaign?
 - 3rd party, objective audit process
- The Triple Bottom Line:
 - Profit
 - Environmental sustainability
 - Social impact

Measurables

- Brand loyalty
(market share &/or higher prices)
- Greater number of investors
(higher share price)
- Greater number of “qualified” employees.
(productivity & labor cost management)
- Lower costs to confront negative PR
- A more level playing field across the global market place

Thank you.



Questions?

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