

## FLOC Response to Reynolds' "Open Letter to Those Interested in Farm Labor Issues"



FLOC has [challenged Reynolds American](#) concerning those farmworkers who labor in the fields to provide the corporation with its leaf tobacco. Reynolds' supply system enriches the corporation and its top executives, while isolating itself from the field workers at the bottom. The company talks about its "stakeholders", but conspicuously leaves out farmworkers, who are denied any voice in the system that leaves them marginalized and oppressed.

Reynolds, which earns \$2 billion in annual profits and whose top executives can receive up to \$60 million in bonuses, is in the dominant position to resolve this issue. Yet the corporation has refused to even talk with FLOC about possible solutions.

Reynolds American has issued a [statement](#) which portrays FLOC as attacking the corporations' record of "social responsibility". Issuing such a statement itself, its tone, and the falsehoods and misleading statements indicates that the corporation is feeling popular pressure about this issue. Below is FLOC's response to the Reynolds' statement, which we present alongside the original to question the validity and biases in corporation's posture towards the farmworkers at the bottom.

Reynolds Statement	FLOC Response
<p>During the past several months, the Farm Labor Organizing Committee (FLOC), an AFL-CIO labor union, has undertaken efforts to pressure Reynolds American Inc. (RAI) and R.J. Reynolds Tobacco Company (R.J. Reynolds) to participate in negotiations for a collective bargaining agreement between the companies and the union.</p>	<p>Reynolds erroneously states that FLOC is pressuring RAI to negotiate a collective-bargaining agreement (CBA). FLOC has never proposed such a thing. To date the only thing FLOC has asked is for a MEETING, to explore how to alleviate the deplorable working and living conditions of the very workers who cultivate and harvest the tobacco harvested for RAI. Specifically, FLOC wants to improve the labor and human rights of these tobacco workers.</p> <p>FLOC has always maintained that Reynolds does not employ the tobacco farm workers who harvest the tobacco that RAI purchases from contract growers. However, FLOC will always maintain that Reynolds has the ultimate responsibility for the conditions under which these farm workers toil. When Reynolds contracts with its growers who hire the farm workers, its contract requirements sets the parameters for what the grower and his employees can or cannot accomplish in regards to housing, wages, the legal status of the farm workers, and other conditions of employment.</p>

<p>What may not be clear to many who have contacted R.J. Reynolds, urging the company to negotiate with the union, is that FLOC has had a collective bargaining agreement with the N.C. Growers Association (NCGA) for the last four years. All guest H2A workers who are interested in union representation have been and continue to be free to sign up for membership with FLOC.</p> <p>Neither RAI nor R.J. Reynolds is the appropriate party to negotiate any collective bargaining agreement with FLOC. As the sponsoring organization for the H2A workers, the NCGA is the appropriate body to negotiate such an agreement - and they have done so.</p>	<p>It is true that FLOC has a CBA with the North Carolina Grower's Association (NCGA). Reynolds would want people to believe that all their growers are members of the NCGA, when the best guess is that merely 20% of their growers are. While FLOC is currently enjoying a working relationship with the NCGA that includes much problem-solving, the other 80% of these tobacco harvesters lack labor and human rights protections, and in some cases labor in near peonage conditions. This is the group of workers FLOC wishes to address with Reynolds.</p> <p>Reynolds' confusion about FLOC's intentions could have been cleared up a long time ago if Reynolds had agreed to meet with FLOC to discuss the conditions of the most vulnerable persons in the Reynolds supply chain. The tobacco farm workers are Reynolds stakeholders, and are a vital and unrecognized component at the very bottom of RAI's supply chain. Reynolds needs to hear about their concerns and how they can be addressed.</p>
<p>RAI and R.J. Reynolds certainly support efforts to ensure all workers in all industries have safe work environments.</p> <p>R.J. Reynolds contracts with independent farmers across North Carolina and other states for tobacco leaf, and those contracts require the farmers to comply with all laws -- including labor laws covering issues such as employment, and working and living conditions of workers. We meet with growers regularly and encourage them to follow all applicable laws and regulations.</p>	<p>Reynolds' claim to support safe work conditions in all industries (which we assume includes their tobacco harvesters) is a hollow claim with no substance. They claim that their contracts with growers "require" the growers to comply with all applicable laws, yet when Reynolds meets with them Reynolds only "encourages" the growers to comply. Which is it? Are contract growers required or encouraged to comply with the law? In either event, no mechanism exists to monitor such requirements. Then how would Reynolds handle cases where growers hire labor contractors with independent crews, who in turn house their workers in "bootleg labor camps" not in compliance with the law? Reynolds addresses the farm worker issue by limiting its contact with growers. This reveals a naïve understanding or worse a convenient ignorance of what is occurring at the bottom of their supply chain.</p>

Additionally, R.J. Reynolds has purchased safety videos from the North Carolina Department of Labor (NCDOL) and provides those videos free of charge to its contract growers. We also provide support for the NCDOL Gold Star Program which recognizes growers who provide farmworker housing that meets all of the requirements of the Migrant Housing Act of N.C.

It is commendable that Reynolds provides safety videos for its growers, but what good is it if the workers happen to see the video but have no way to complain about a safety violation? Filing complaints are difficult during working hours because of the unavailability of phones in the fields, and most regulatory agencies do not have evening hours and many lack bilingual staff! Even if there was a way for a worker to complain, what would guarantee that the worker would not have to fear retaliation from a grower or labor contractor?

As far as the NCDOL Gold Star Program is concerned, the fact that Reynolds supports such a program sends a conflicting message. If all their growers are "required" to adhere to all laws, wouldn't *all* their growers receive such recognition? If so, why is such an award given other than to make a distinction between those growers who do and those who do not comply. Is this one of the requirements for contract growers; that they be part of the Gold Star Program to demonstrate their compliance with the Migrant Housing Act of North Carolina?

Many of the farmers R.J. Reynolds contracts with employ workers to assist them in growing and harvesting the tobacco. Workers are employed by those farmers; they are not employees of either R.J. Reynolds or RAI; so neither company is an appropriate or necessary party to a collective bargaining agreement for farm workers.

Reynolds again claims that workers should organize and negotiate union agreements with the growers who employ them. While this argument is conveniently simple, it does not address the glaring inequities built into Reynolds' designed supply chain limitations. Reynolds can conveniently wash its hands of the tragedies and often horrendous working and living conditions endured by the tobacco harvesters by putting the burden on its growers. At the same time, many of their growers wash their hands of the same by putting the burden on labor contractors, who in many cases are involved in trafficking thousands of undocumented workers.

A recent newspaper article written in [YesWeekly](#) exposed one such instance of a group of 40 undocumented tobacco workers housed in three house trailers which were arguably not in compliance with applicable laws. The only way to correct such abuses is for Reynolds to work with FLOC to make modifications to the structure of their supply chain, so that those on the bottom of their supply chain are brought into compliance with the letter and spirit of the law.

<p>If farm workers want to be represented by a union, the workers and their employer should negotiate with the union - not RAI or R.J. Reynolds. The North Carolina Growers Association has a collective bargaining agreement with FLOC, and the farms with whom R.J. Reynolds contracts are free to join the association and participate in the collective bargaining agreement if they so choose. Many do, and thus, some of the workers on farms with whom R.J. Reynolds contracts are already FLOC members.</p>	<p>While it is true that growers who are not members of the NCGA can "freely join" and therefore be part of a CBA with FLOC, the joining is not "free." In fact, it is one of the reasons growers don't join the NCGA, because they would be "required" to employ legal H2A visa workers and pay up to \$950.00 per worker that would be recruited through the NCGA. Financially these growers would rather use labor contractors who in many cases are unscrupulous. They usually hire undocumented workers, underpay the workers, and in many cases house them in deplorable conditions. These are the conditions FLOC is concerned about. Bringing these growers and workers into legal compliance would require a reassessment of the prices Reynolds pays the growers in its supply chain. The current model does not financially sustain such a possibility, and this is one of the issues that FLOC wants to discuss with Reynolds.</p>
<p>FLOC's actions against our companies to this point lead us to believe that this is an issue of revenue for the union. According to the N.C. Growers Association, FLOC membership among H2A workers has dropped from 4,000 to 640. FLOC's membership is plummeting; workers may be cancelling their membership because they are not receiving benefits they believe were promised by the union. RAI and its operating companies will not be party to efforts to pressure workers into rejoining the union they have voluntarily left.</p> <p>FLOC has been accused of using deceptive tactics to recruit membership. The Consulate of Mexico has contacted the N.C. Growers Association regarding concerns they have that FLOC is not delivering on its promises to members. Approximately 800 workers have filed complaints about FLOC with the Consulate.</p>	<p>FLOC would choose to ignore these false accusations were they not so seemingly nefarious in their intent to discredit FLOC. The charge that FLOC membership has plummeted to 640 members is completely false. Membership remains in the thousands. How many tobacco worker FLOC members return to North Carolina depends on their decision to come back to the same employer, to go elsewhere in the U.S. with other recruiting agencies, or simply stay home. As of the end of May of this year there have already been over 1000 members in the U.S. and it is only the beginning of the recruiting season, which continues through September. The number of FLOC members increases weekly upon arrivals from Mexico.</p> <p>The Mexican Consulate in Raleigh has never contacted FLOC about any complaints, nor has the NCGA ever passed on any complaint from the Mexican Consulate to FLOC. FLOC attorney Robert Willis has had contact with the Consulate, and there has never been a concern about any complaints against FLOC.</p> <p>Reynolds' accusation that FLOC's initiative with Reynolds is a revenue issue for the union is a distortion of what is at play in this debate. The revenue issue is one of adequate prices in the supply chain that would make it possible for Reynolds' contract growers to do what it is financially difficult for them to do. Legalizing their workforce will cost money, bringing housing up to standards will cost money. Covering costs for worker benefits like workers compensation and increasing wages will cost money. Reynolds has the resources to subsidize these costs. Certainly the recent adoption of the Omnibus Compensation Plan for top executives at the 2009 shareholders meeting demonstrates this fact.</p>

<p>North Carolina has effective laws on the books to protect workers, including specific regulations for working and living conditions for farm laborers. The N.C. Department of Labor has an easy-to-access, anonymous method of reporting violations of those laws. If FLOC or any other party is aware of potential violations, R.J. Reynolds encourages them to report the circumstances to the state so that they may be investigated. Click here for a link to the anonymous NCDOL reporting form.</p>	<p>Reynolds throws the burden of insuring that their growers are in compliance on the regulatory agencies, that for years have proven ineffective. First, there has always been a shortage of enforcement personnel. Second, it is a complaint-driven system with no effective protection for the farm workers from retaliation. Third, penalties are not sufficient to create deterrence for serious repeat offenders. Again, Reynolds relies on passing-the-buck to the tax-payers to police their growers.</p>
<p>It should be noted that R.J. Reynolds is not the largest purchaser of tobacco in North Carolina or any other state where tobacco is grown. Yet R.J. Reynolds is the only tobacco company being targeted for protests and boycotts by FLOC. The issues surrounding migrant workers are national, longstanding and involve the production of a number of crops - but for unspecified reasons FLOC has singled out tobacco, farms in North Carolina and R.J. Reynolds in this matter.</p>	<p>FLOC has singled out tobacco because of its dominance in Southern agriculture and the history of human rights and labor abuses in the industry. At this point Reynolds is the tobacco company being approached. Besides being one of the largest manufacturers of cigarettes in the US, Reynolds has a stature globally, given that British American Tobacco owns 42.5% of Reynolds. The statement that FLOC has initiated a boycott of Reynolds American and its company's products is not true.</p>
<p>Reynolds American and R.J. Reynolds support efforts to ensure that workers in all industries have a safe work environment. Guest H2A workers in North Carolina who are interested in joining FLOC can do so, and they would then be party to the collective bargaining agreement already in place with the N.C. Growers Association. Absolutely nothing prevents them from doing so today.</p> <p>Our companies engage in ongoing dialogue with a variety of stakeholders on a broad range of issues, and we appreciate your interest in this topic and thank you for taking the time to read our perspective on it. For more information about the companies' corporate social responsibility initiatives, please click here.</p> <p>The Leadership Teams of Reynolds American Inc. and R.J. Reynolds Tobacco Company</p>	<p>Reynolds claim to have an initiative on corporate social responsibility is a self-revealing contradiction. Now English has not been the native language of most FLOC members but the word "social" means; "having to do with human beings living together as a group in a situation requiring that they have dealings with one another." In Reynolds' <a href="#">corporate social responsibility report</a>, you will find reports about focus groups with RAI stakeholders such as consumers, suppliers, employees, and the public...but not the farm workers! Is it possible that this glaring omission is a reflection of Reynolds' disregard for the poorest and most vulnerable workers in their supply chain? This marginalization of farm workers evokes images of the slave-era belief that field workers were not human.</p> <p>It is time for Reynolds to "do the right thing" and meet with FLOC, and hear the concerns of its tobacco farm worker stakeholders.</p>

FLOC invites people to examine the structure of the agricultural supply system and consider how this impacts on the working and living conditions of the farmworkers at the bottom. We also invite people to consider what are the most effective solutions to resolving farmworkers' conditions. (Please see the [History of FLOC](#).)