

EMBARGOED UNTIL 21 JUNE 2018



# RIPE FOR CHANGE



ENDING HUMAN SUFFERING IN  
SUPERMARKET SUPPLY CHAINS

REPORT



OXFAM

© Oxfam International June 2018

This paper was written by Robin Willoughby and Tim Gore. Oxfam acknowledges the assistance of Ajmal Abdulsamad, Evelyn Astor, Sabita Banerji, Derk Byvanck, Man-Kwun Chan, Celine Charveriat, Lies Craeynest, Anouk Franck, Gary Gereffi, Sloane Hamilton, Franziska Humbert, Steve Jennings, Peter McAllister, Rashmi Mistry, Eric Munoz, Ed Pomfret, Fenella Porter, Art Prapha, Laura Raven, Olivier de Schutter, Ruth Segal, Kaori Shigiya, Matthew Spencer, Dannielle Taaffe, Emma Wadley and Rachel Wilshaw.

For further information on the issues raised in this paper please email [advocacy@oxfaminternational.org](mailto:advocacy@oxfaminternational.org)

This publication is copyright but the text may be used free of charge for the purposes of advocacy, campaigning, education, and research, provided that the source is acknowledged in full. The copyright holder requests that all such use be registered with them for impact assessment purposes. For copying in any other circumstances, or for re-use in other publications, or for translation or adaptation, permission must be secured and a fee may be charged. Email [policyandpractice@oxfam.org.uk](mailto:policyandpractice@oxfam.org.uk)

The information in this publication is correct at the time of going to press.

Published by Oxfam GB for Oxfam International under ISBN 978-1-78748-178-7 in June 2018. DOI: 10.21201/2017.1787  
Oxfam GB, Oxfam House, John Smith Drive, Cowley, Oxford, OX4 2JY, UK

Cover photo: Mu is 29 and the mother of three children, all of whom are back at home in Myanmar. She is a shrimp peeler in Thailand earning a daily rate of 310 THB, or about \$9.30, plus overtime. If there is no overtime for a few weeks, she is unable to send money to support her family. Photo: Suthep Kritsanavarin/Oxfam



**OXFAM**

Oxfam is an international confederation of 20 organizations networked together in more than 90 countries, as part of a global movement for change, to build a future free from the injustice of poverty. Please write to any of the agencies for further information, or visit [www.oxfam.org](http://www.oxfam.org)

# FOREWORD

The hidden workforce in supply chains is a scandal. These are the workers on whom multinational companies – like the supermarkets exposed in this report – rely for their profits. Multinational companies knowingly outsource responsibility for the violence, oppression, low wages, insecure and often unsafe work that drives their profits.

Outsourcing responsibility is not an option if the UN Guiding Principles on Business and Human Rights are respected. This requires companies to conduct due diligence and assess the risks of human rights violations throughout their supply chains, provide grievance procedures and ensure remedy for workers.

Human and labour rights violations have unfortunately become the foundation of global trade and consequently the dominant model of exploitation that fuels corporate greed. Profits are built on low wages and insecure work, driving growing inequality.

G20 governments have endorsed the call for due diligence, and G20 ministers have stated that ‘violations of decent work and fundamental principles and rights at work cannot be part of competition’.<sup>1</sup>

There must be a global level playing field to stop a race to the bottom on standards, wages and rights. We must rewrite the rules of the global economy if working people are to trust that elected governments are holding corporations to account in the interests of citizens.

Central to this accountability is the urgent need to overcome low wages. Oxfam provides many examples of the gap between workers’ wages and what they and their families need for a decent life. The ITUC Global Poll shows 84% of the world’s workers say that the minimum wage is not enough to live on. This is why the ITUC and its affiliates have a global campaign for minimum living wages.

As the research in this report suggests, the price of bridging the gap between hunger wages and a living wage is insignificant to multinational companies. Similar evidence-based cost of living research by unions shows it would take just a three cent rise in the price of a melon in Honduras, less than two cents on a banana in Guatemala, to ensure a living wage.

Wage theft – resulting from many employers undercutting minimum wages with exploitative hours through forced overtime, or simply not paying legal rates – must be stopped. It’s a simple recipe to guarantee decent work in supply chains:

- a minimum living wage;
- freedom of association and collective bargaining rights;
- universal social protection;
- compliance with strong, independent, legal systems.

We encourage multinational supermarkets to negotiate global framework agreements with the International Union of Food Workers and its affiliates, which guarantee fundamental rights for workers in every country in which they work.

Constructive engagement with unions throughout supply chains is essential. Collective bargaining ensures fair working conditions and a greater distribution of productivity and profits, fostering more equal societies.

Fair wages and decent work with social protection provide the foundation for greater equality and for growth.



**Sharan Burrow**  
General Secretary,  
International Trade  
Union Confederation

# FOREWORD

We all enjoy good food. Cooking our favourite ingredients or sharing a meal are among our simplest pleasures. But too often the food we savour comes at an unacceptable price: the suffering of the people who produced it.

This report launches Oxfam's new campaign to expose the economic exploitation faced by millions of small-scale farmers and workers in food supply chains, and to mobilize the power of people around the world to help end it.

We present new evidence of brutally squeezed farmer incomes, pervasive low wages and the widespread denial of labour rights among people working to supply different products to supermarkets around the world. Our surveys of people working in supermarket supply chains in a range of countries found that a large majority struggle to adequately feed their own families.

Women bear the heaviest burden. Overwhelmingly concentrated in the least secure and lowest paid positions in food supply chains, shouldering most of the unpaid work on family farms, and routinely denied a voice in positions of power, we show that our modern food system is built on squeezing women's labour hardest of all.

We know it doesn't have to be this way. The global food industry generates billions in revenues every year, but the rewards are increasingly skewed towards the powerful. Our evidence shows that supermarket giants are capturing an increasing share of the money their customers spend at the checkout, while just a small and declining fraction reaches those who produced their food.

The resulting inequality is hard to fathom. It would take a woman working in a shrimp processing plant in Thailand more than 5,000 years to make the average annual salary of a top chief executive at a supermarket in the US, and over 1,700 years to match the UK's. Just 10% of the cash returned to shareholders of the biggest three US supermarkets in 2016 would be enough to lift more than 600,000 workers in the Thai shrimp sector to a living wage.<sup>2</sup>

We believe in a different way of doing business, built on respect for human and labour rights, and driven less by the relentless maximization of shareholder value. Our research shows that where governments intervene to protect small-scale farmers and workers, they can make a difference to millions of lives.

This is a story about food, but it is one we see replicated across the global economy – from textiles to electronics. We believe it is time to build a more human economy that rewards work, not wealth.

We know the path is not easy, but this report shows that we can all – governments, companies and citizens – do much more to make this vision a reality for those producing our food. We call on everyone reading it to join us.



**Winnie Byanyima**  
Executive Director,  
Oxfam International

# FOREWORD

Throughout my life, Oxfam has had an impressive track record of tackling injustice in global supply chains. It has worked continuously to expose the enormous inequalities of power, gender and wealth in our food system.

As the leader of a Fairtrade company 44% owned by a cooperative of cocoa farmers in Ghana, I am very aware of the human cost of this, where the women and men who grow the products we enjoy every day still don't have access to many of the things we take for granted, like clean water and electricity, or the ability to invest in their farms and communities.

It is shocking that we still need Oxfam to shine a light on a system of trade that delivers cheap, high quality food for all of us in the North, and huge profits for the companies that sell them to us, while men and women producers and processors in developing countries go hungry.

Oxfam has the clout to make change happen. Its Behind the Brands campaign looked at how the ten biggest food companies operate, and challenged them to address critical issues if we are to create a world that works for people and planet. It has had a serious impact. Those companies have made significant improvements in gender, land rights, labour rights and the environment, and they are proud of their progress.

Oxfam's new report and campaign focuses on the next step in the supply chain: the supermarkets. It aims to make consumers and investors more aware of the realities behind their everyday food shopping, and empower them to challenge supermarkets to ensure that the people who work in their supply chains have a decent living.

At the same time, it is making supermarkets conscious of the enormous opportunity they have to use their scale and power to make real and lasting changes to an unsustainable and unfair system. They are in a powerful position to play a leading role in addressing many of the UN's Sustainable Development Goals to end world poverty.

We live in times where, on the one hand, the turnover of the world's biggest supermarket group is higher than the Gross National Income of Norway or Nigeria, and, on the other, where most of the world is dependent on smallholder producers for at least 80% of its food. Supermarkets have a responsibility to those producers, and we have more power than we think to call them to account.



**Sophi Tranchell**  
MBE, CEO,  
Divine Chocolate Ltd.

# SUMMARY

Inequality is rampant across the global economy,<sup>3</sup> and the agro-food sector is no exception. At the top, big supermarkets<sup>4</sup> and other corporate food giants dominate global food markets, allowing them to squeeze value from vast supply chains that span the globe, while at the bottom the bargaining power of small-scale farmers and workers has been steadily eroded in many of the countries from which they source.

The result is widespread human suffering among the women and men producing food for supermarkets around the world. From forced labour<sup>5</sup> aboard fishing vessels in Southeast Asia, to poverty wages on Indian tea plantations and hunger<sup>6</sup> faced by workers on South African grape farms, human and labour rights abuses are all too common in food supply chains.<sup>7</sup>

In an era of gross global inequality and escalating climate change, this business model is increasingly unsustainable. But it doesn't have to be this way. Governments, food companies, small-scale farmers and workers, and citizens around the world can all help to rebalance power in food supply chains and ensure they more fairly reward those producing our food. The supermarket sector is ripe for change.

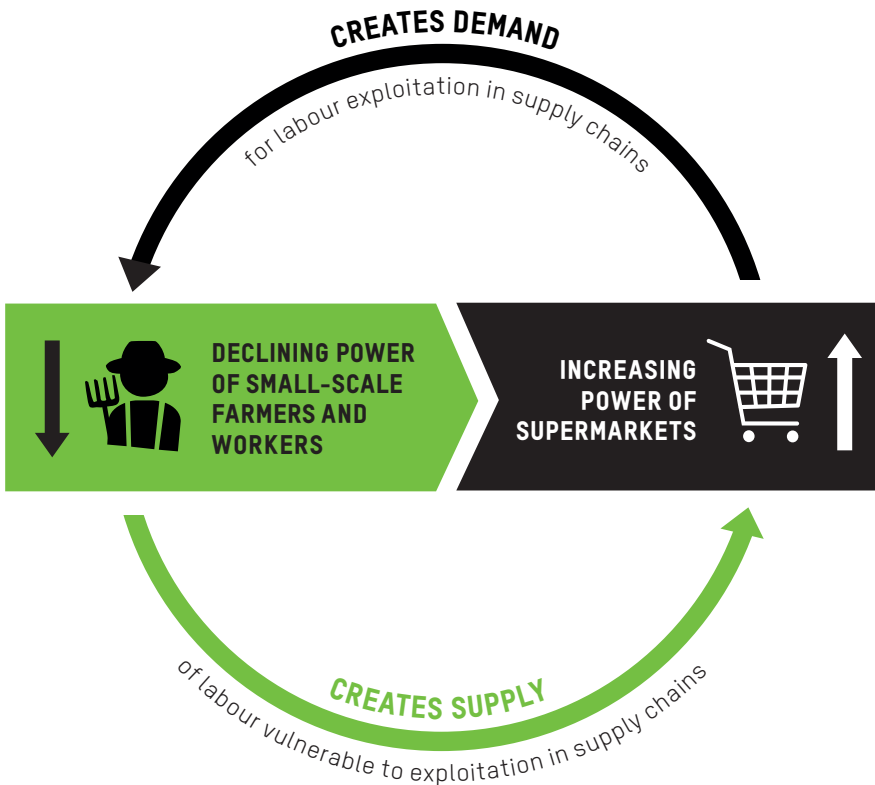
There is no justifiable reason that the human and labour rights of women and men supplying supermarkets cannot be respected. There is no moral excuse for anyone producing our food to go hungry. This report launches Oxfam's new campaign to expose the root causes behind human suffering in food supply chains and to mobilize the power of people around the world to help end it, starting with a focus on the role of supermarkets.<sup>8</sup>

\* \* \*

**THERE IS NO JUSTIFIABLE REASON THAT THE HUMAN AND LABOUR RIGHTS OF WOMEN AND MEN SUPPLYING SUPERMARKETS CANNOT BE RESPECTED.**

\* \* \*

FIGURE 1: INEQUALITY OF POWER IS THE ROOT CAUSE OF LABOUR EXPLOITATION IN FOOD SUPPLY CHAINS





Supermarket shelves. Photo: Shutterstock

## THE GROWING POWER OF SUPERMARKETS

Over the last 30 years, a global inequality crisis has seen the power and financial reward of big business and other owners of capital grow at the expense of ordinary people<sup>9</sup> – including those who grow and process our food. As highlighted in Figure 2, in the agri-food sector market concentration has reached new extremes at all stages of the food supply chain, and food retail is no exception.

FIGURE 2: MARKET CONCENTRATION IS HIGH IN FOOD SUPPLY CHAINS



<sup>i</sup> Bayer-Monsanto, Dupont-Dow, and Chem-China Syngenta. Source: Friends of the Earth Europe, Heinrich Boll Foundation and Rosa Luxemburg Foundation. (2017). Agrifood Atlas: Facts and Figures about the Corporations that Control what we Eat. <sup>ii</sup> S.J Lowder, J. Skoet, T. Roney. (2017). The Number, Size and Distribution of Farms, Smallholder Farms and Family Farms Worldwide. *World Development*, 87, 16–29. UN Food and Agriculture Organisation. (2008). The State of Food and Agriculture 2008. Rome: FAO. <sup>iii</sup> Archer Daniels Midland (ADM), Bunge, Cargill and Louis Dreyfus Co. Source: Friends of the Earth Europe, Heinrich Boll Foundation and Rosa Luxemburg Foundation. (2017). Agrifood Atlas: Facts and Figures about the Corporations that Control what we Eat. Op. cit. <sup>iv</sup> Friends of the Earth Europe, Heinrich Boll Foundation and Rosa Luxemburg Foundation. (2017). Agrifood Atlas: Facts and Figures about the Corporations that Control what we Eat. <sup>v</sup> Ibid.

In most developed countries, and increasingly in developing countries too, just a handful of supermarket giants dominate food sales.<sup>12</sup> This is often at the expense of local shops and markets. After establishing dominance in high-income countries, the supermarket concept has grown exponentially in middle-income countries – starting in Latin America before spreading to Southeast Asia and parts of North and sub-Saharan Africa.

### Supermarket buyer power

This tight grip on retail markets gives supermarkets in particular, significant power to shape food production around the world. As the last link in the food supply chain, they have become gatekeepers of the global food trade – shaping producers and processors into geographically dispersed, highly specialized and multi-tiered supply chains to deliver precise quality standards for tens of thousands of products every day of the year.

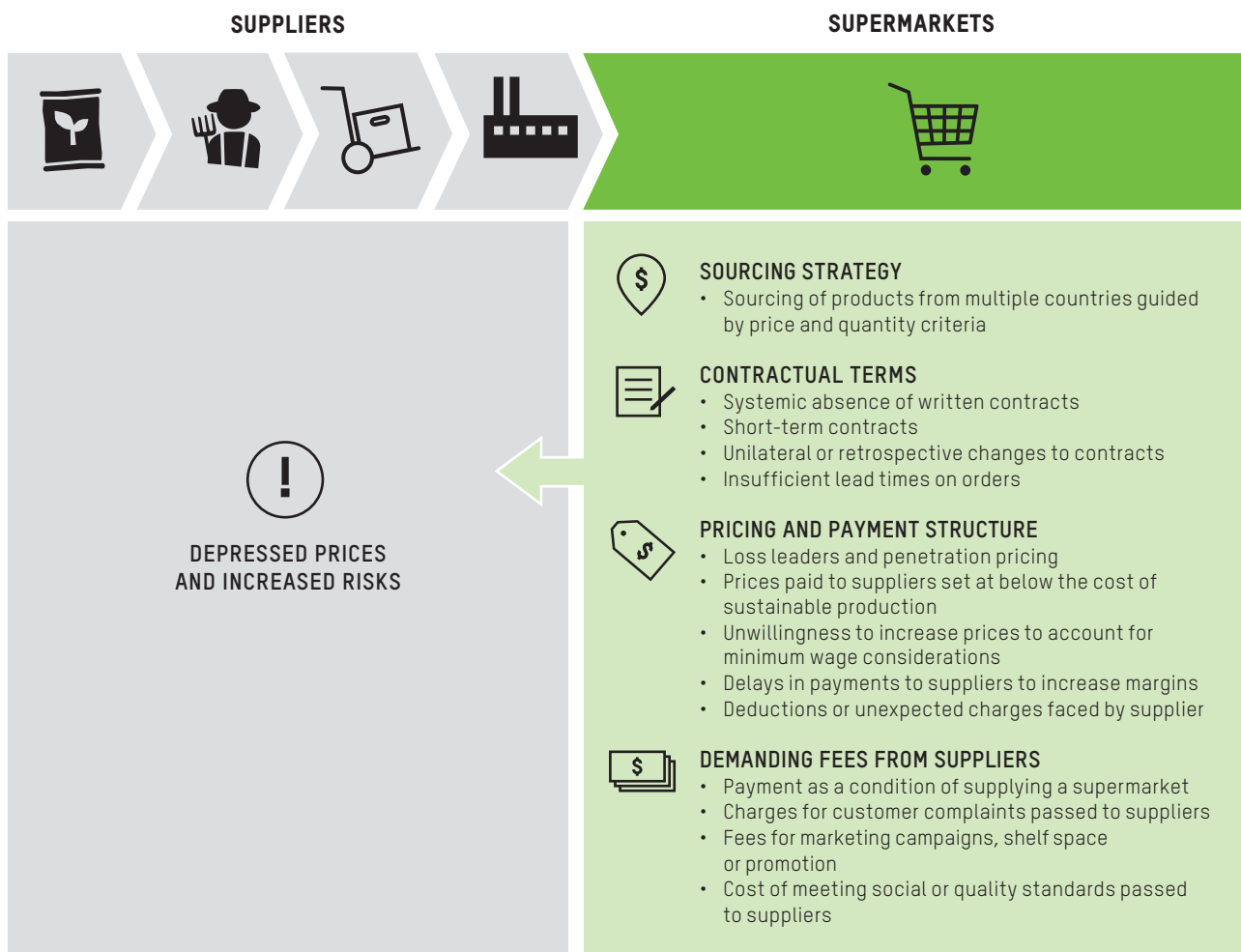
This business model has delivered low prices, unparalleled year-round choice and ‘just in time’ convenience for many consumers. But it is based on supermarkets using their huge buyer power to exert continual pressure on their suppliers to cut costs and incur more of the risks of agricultural production, even while meeting exacting quality requirements. A range of unfair trading practices have been documented<sup>13</sup> through which this power can be exercised, some examples of which are described in Figure 3.

\*\*\*

**IN THE UK, FOUR SUPERMARKETS CONTROL 67% OF THE GROCERY MARKET SHARE,<sup>10</sup> WHILE IN THE NETHERLANDS, JUST FIVE CONTROL APPROXIMATELY 77%.<sup>11</sup>**

\*\*\*

FIGURE 3: UNFAIR TRADING PRACTICES DEPRESS PRICES PAID TO AND INCREASE RISKS INCURRED BY SUPERMARKET SUPPLIERS



Source: Figure created by Oxfam using information from D. Vaughan-Whitehead and L.P Caro (2017). Purchasing Practices and Working Conditions in Global Supply Chains: Global Survey Results; G. Ellison (2017). Grocery Code Adjudicator: Annual Survey Results; European Parliament (2016). Report on Unfair Trading Practices in the Food Supply Chain; and other reports.<sup>14</sup> See Appendix 1 in the main report for a list of unfair trading practices and references.



## Financial rewards accrue to the top

It has been a lucrative business for those at the top. The world's largest food retailer, Walmart, majority-owned by the richest family in the US,<sup>15</sup> generated revenue of nearly \$486bn in 2016 – more than the Gross National Income of Norway or Nigeria.<sup>16</sup> The eight largest publicly owned supermarkets in the world generated some \$1 trillion from sales in 2016 and nearly \$22bn in profit. Rather than reinvest in their suppliers, the same year they returned over \$15bn to shareholders in cash.<sup>17</sup>

Top rates of annual pay for CEOs have been handsome too – ranging from \$3.1m at Morrisons in the UK, for example, to \$19.8m at Walmart in the US.<sup>18</sup> Returns to shareholders and executive pay have been increasing in the US over the last decade – by 59% and 74% respectively in the biggest US firms, for example.<sup>19</sup> From the US to Thailand to South Africa, it is a sector which is attracting investment from some of those countries' richest and most powerful elites.

## THE DECLINING POWER OF SMALL-SCALE FARMERS AND WORKERS<sup>20</sup>

It is no coincidence that the growth of supermarket power has taken place at the same time as governments in many countries have pursued an agenda of trade liberalization and deregulation of agricultural and labour markets. The result of this public policy approach has been a radical weakening of the bargaining power of small-scale farmers and workers.<sup>21</sup> Agricultural marketing boards have been closed, government budgets for farmer extension services and agricultural research and development slashed, and border tariffs protecting domestic farming lifted.<sup>22</sup> For workers, meanwhile, trade union membership and collective bargaining are in decline.<sup>23</sup> Even where statutory minimum wages have been introduced, they are nearly always far below the levels demanded by local trade unions,<sup>24</sup> and inadequate to sustain a basic but decent standard of living for a worker and their family (often known as a 'living wage').<sup>25</sup>

\* \* \*

**IN A GLOBAL SURVEY OF NEARLY 1,500 COMPANIES IN GLOBAL SUPPLY CHAINS, LESS THAN A QUARTER OF FOOD SUPPLIERS NOTED THE PRESENCE OF TRADE UNIONS.<sup>26</sup>**

\* \* \*

Mawar lived in a dormitory near the shrimp factory where she worked in Indonesia. She was often shouted at to work faster, so avoided drinking water to make sure she didn't need to use the toilet. Photo: Adrian Mulya/Sustainable Seafood Alliance Indonesia



## Women hardest hit

And whether on small-scale family farms or among workers, deeply entrenched gender norms mean the impact is most severe on women: denied the right to own land,<sup>27</sup> less likely to enjoy trade union representation,<sup>28</sup> shouldering most unpaid care work,<sup>29</sup> facing discrimination over pay and progression to more senior roles, and the threat of sexual harassment and violence.<sup>30</sup> Women's work in food supply chains goes unseen and their voices at the negotiation table least heard.

It is no surprise, therefore, that women are concentrated in the lowest paid, least secure roles across the agri-food sector, providing a reserve of cheap, flexible labour on which modern food supply chains are built.<sup>31</sup>

## HUMAN SUFFERING IN SUPERMARKET SUPPLY CHAINS

The depression of prices paid to suppliers as a result of supermarket buyer power, coupled with inadequate government support for small-scale farmers and workers, increases the risk of human and labour rights violations in food supply chains.

For example:

- Squeezed small-scale farmers may resort to child labour<sup>33</sup> or increase the burden on unpaid women's labour;<sup>34</sup>
- Employers at plantations, processing plants or on fishing vessels may shift to more flexible, casualized forms of employment – sidestepping permanent contracts, curtailing freedom of association, cutting wages or using piece rates that necessitate excessive working hours;<sup>35</sup>
- Women concentrated in such informal roles, often with male supervisors, may face heightened risks of sexual harassment and violence;<sup>36</sup>
- Use of forced labour remains all too common, with the International Labour Organization (ILO) estimating in 2017 that more than 1.1 million victims work in the agriculture sector.<sup>37</sup>

New research by and for Oxfam, including a series of case studies published as Annexes 2 to 8 and also summarized in the main report in Boxes 2 to 6, highlight many such examples of human suffering found in supermarket supply chains around the world. Some of the most striking findings are further explored below.

### Small-scale farmers and workers without enough to eat

It is one of the cruellest paradoxes of our time that the people producing our food and their families are often going without enough to eat themselves.

Oxfam and partners conducted surveys in 2017 of hundreds of small-scale farmers and workers in supermarket supply chains across five countries using the Household Food Insecurity Access Scale method. This research found a clear majority of respondents categorized as either moderately or severely food insecure – meaning that they or a family member had gone without enough food in the previous month.<sup>38</sup> For example:

- In South Africa, over 90% of surveyed women workers on grape farms reported not having enough to eat in the previous month. Nearly a third said they or a family member had gone to bed hungry at least once in that time.
- 72% of women small-scale banana farmers surveyed in the Philippines said they had worried about feeding their family in the previous month.

\* \* \*

**'[...] IN TERMS OF DECISION MAKING AND ASSIGNING TASKS TO MEMBERS, WE DON'T FEEL LIKE WE HAVE A VOICE. WOMEN CANDIDATES DO STAND [FOR THE BOARD], BUT MEN VOTE FOR MEN AND WE'RE OUTNUMBERED.'**

\* \* \*

Mary Jane, secretary at Davao Fruit Corporation Agrarian Reform Cooperative, Mindanao Region, Philippines<sup>32</sup>

\* \* \*

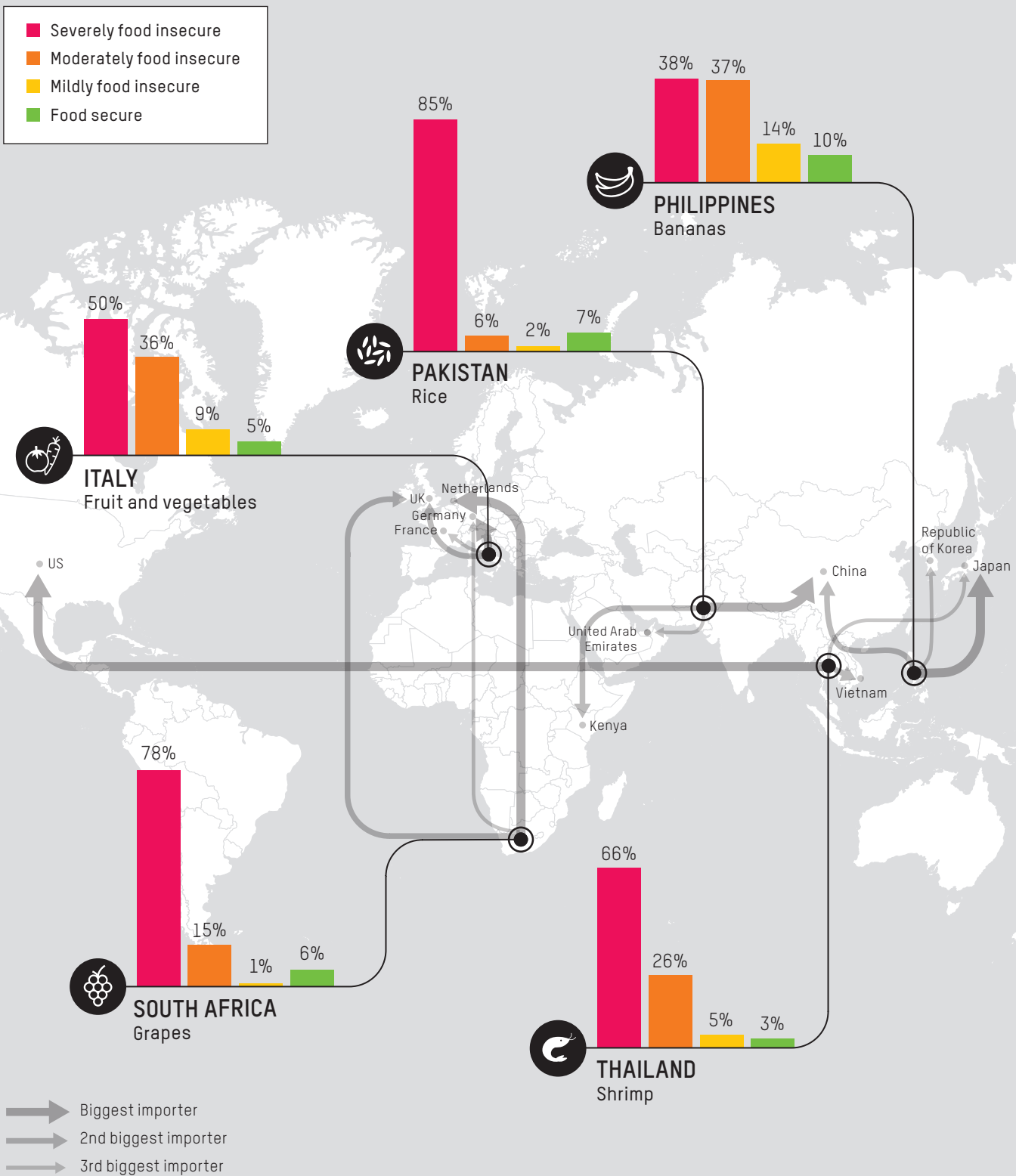
**'MONEY IS EXTREMELY TIGHT. WE MUST CUT DOWN ON FOOD TO BE ABLE TO PAY OUR CHILDREN'S SCHOOL FEES.'**

\* \* \*

Wife of a worker at Finca Once, Costa Rica, producer for Lidl<sup>39</sup>

FIGURE 4: WHEN EARNINGS ARE TOO LOW, SMALL-SCALE FARMERS' AND WORKERS' ACCESS TO ADEQUATE FOOD IS PUT AT RISK

Food security categorization of respondents to Household Food Insecurity Access Scale surveys in selected food value chains in 2017 (%)



Source: Data from HFIAS surveys conducted in 2017 with a sample of farmers and workers in specific food supply chains in South Africa (101 respondents), Thailand (64), Italy (42), Pakistan (100) and the Philippines (147). The research in South Africa was carried out by the Women on Farms Project. See the methodology note in Annex 1 for more information.<sup>40</sup>

Note that not all of the percentages sum to exactly 100% due to rounding. Export data from 2016. See endnote for full source information.<sup>41</sup>

- In Italy, 75% of surveyed women workers on fruit and vegetable farms said they or a family member had cut back on the number of meals in the previous month because their household could not afford sufficient food.
- In Thailand, over 90% of surveyed workers at seafood processing plants reported going without enough food in the previous month. Of those, 54% of the women workers said there had been no food to eat at home of any kind on several occasions in that time.



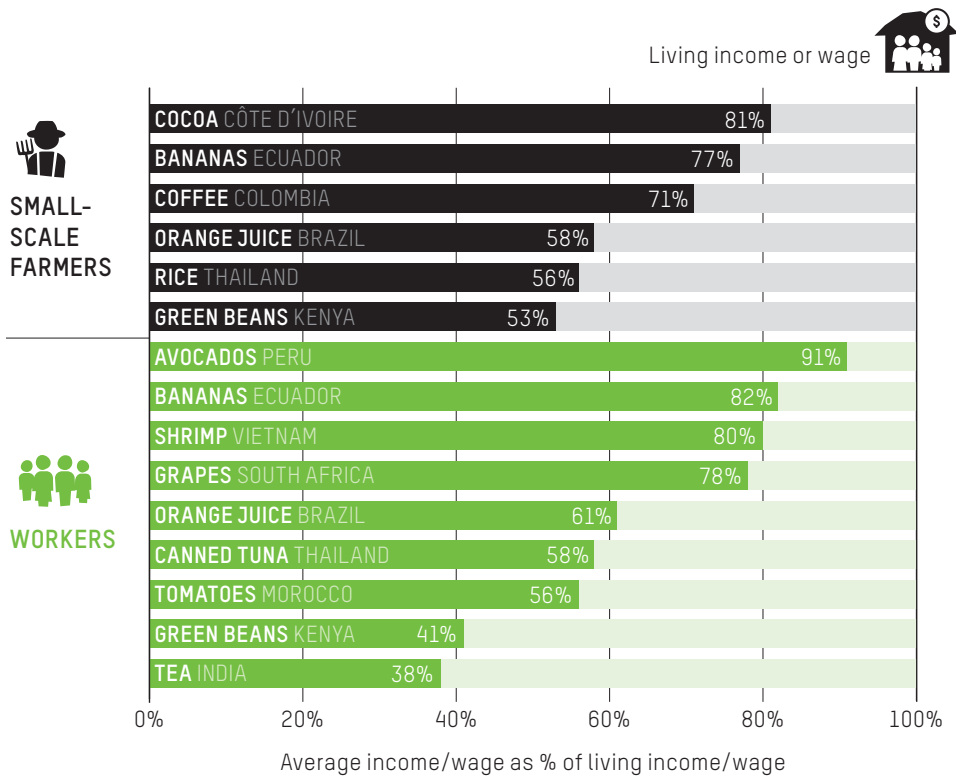
### Grossly inadequate earnings for small-scale farmers and workers

While these surveys are just snapshots, they hint at a bigger picture of systemic economic exploitation. New research for Oxfam – undertaken by the Bureau for the Appraisal of Social Impacts for Citizen Information (BASIC)<sup>42</sup> – analysed the value chains of 12 common products sourced by supermarkets around the world, from a range of producing countries spanning the Asian, African and Latin American continents, including examples of both small- and large-scale production.

As shown in Figure 5, in none of these examples are the average earnings of small-scale farmers or workers enough for a decent standard of living, sufficient to realize their human rights. In some cases, they fall well short.<sup>43</sup>

Above: Prak was a worker on a boat in Thailand. After getting sick, he was dismissed from his job and also told that he owed the boat operators 14,000 THB (about \$438) – money that he doesn't have. But if he doesn't pay, Prak won't be able to get his passport back. Photo: Suthep Kritsanavarin/Oxfam

FIGURE 5: AVERAGE EARNINGS OF SMALL-SCALE FARMERS AND WORKERS IN MANY FOOD SUPPLY CHAINS ARE INADEQUATE FOR A DECENT STANDARD OF LIVING<sup>44</sup>



\*\*\*

FOR SOME PRODUCTS – LIKE INDIAN TEA AND KENYAN GREEN BEANS – THE AVERAGE EARNINGS OF SMALL-SCALE FARMERS OR WORKERS WERE FOUND TO BE LESS THAN 50% OF WHAT IS NEEDED FOR A BASIC BUT DECENT STANDARD OF LIVING IN THEIR SOCIETIES.

\*\*\*

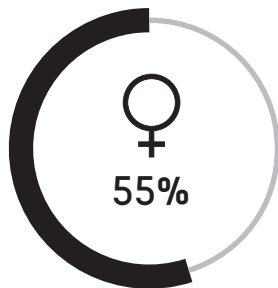
Note: Data from 2015. 'Workers' refers to those with permanent contracts working on large-scale plantations, in processing facilities or on fishing vessels. Some commodities appear twice, as they are both produced by small-scale farmers and workers. See the methodology note in Annex 1 for more information.

Source: C. Alliot et al. (Forthcoming). Distribution of Value and Power in Food Value Chains. Oxfam-commissioned research undertaken by BASIC.

As shown in Figure 6, the situation is much worse for women. BASIC's analysis shows that where women provide the majority of the labour in a food supply chain, the gap between average earnings and the amount needed for a basic but decent standard of living is greatest.

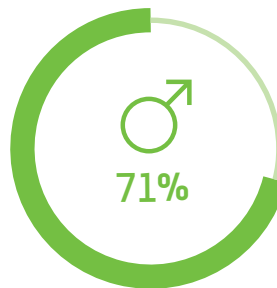
FIGURE 6: THE GAP TO A LIVING INCOME OR WAGE IS GREATEST WHERE WOMEN PREVAIL IN THE WORKFORCE

Average income/wage as % of living income/wage



**WOMEN PREVAILING IN WORKFORCE**

Tea (India), green beans (Kenya), tomatoes (Morocco), rice (Thailand), shrimp (Vietnam), canned tuna (Thailand)



**MEN PREVAILING IN WORKFORCE**

Bananas (Ecuador), cocoa (Côte d' Ivoire), coffee (Col mbia), avocados (Peru), orange juice (Brazil), grapes (South Africa)

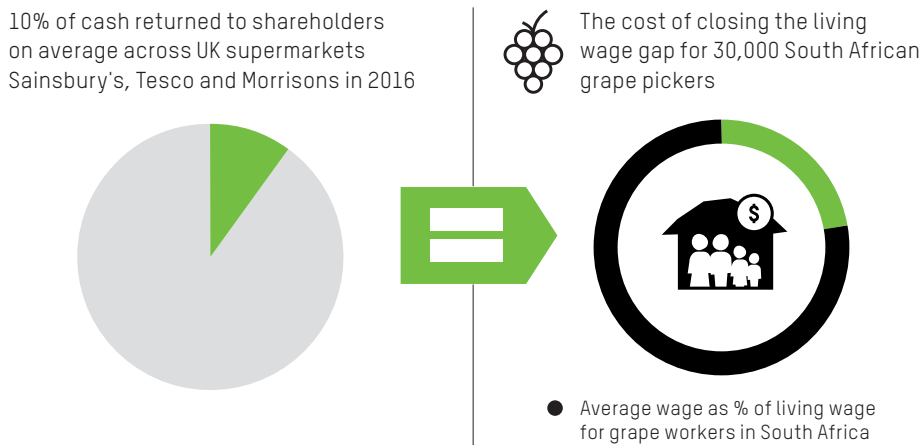
Note: Data from 2015.

Source: C. Alliot et al. (Forthcoming). Distribution of Value and Power in Food Value Chains. Oxfam-commissioned research undertaken by BASIC.

Such income levels are especially hard to accept when compared with the returns at the other end of the supply chain. For example:

- It would take a woman processing shrimp at a typical plant in Indonesia or Thailand more than 4,000 years to earn what the chief executive at a top US supermarket earns, on average, in a year.<sup>45</sup>
- In less than five days, the highest paid chief executive at a UK supermarket earns the same as a woman picking grapes on a typical farm in South Africa will earn in her entire lifetime.<sup>46</sup>
- Just 10% of the cash returned to shareholders in the biggest three US supermarkets – Walmart, Costco and Kroger – in 2016 would be enough to lift more than 600,000 workers in the Thai shrimp sector to a living wage.<sup>47</sup> Figure 7 tells a similar story for UK supermarkets and grape pickers in South Africa.

**FIGURE 7: SUPERMARKET SHAREHOLDERS BENEFIT WHILE SUPPLY CHAIN WORKERS STRUGGLE TO MAKE ENDS MEET**



Source: Oxfam calculations; for details please see methodology note in Annex 1.

### Small-scale farmers pushed to the brink

For millions of small-scale farmers, the very viability of their livelihoods is in question. BASIC's analysis of 12 food products reveals a long-run decline in export prices for a number of products, for example a 74% decline between the mid-1990s and mid-2010s in the case of Kenyan green beans, and around 70% in the case of Brazilian orange juice. This trend has helped to drive the prices paid to small-scale farmers and producers down to little more than the cost of production.<sup>49</sup>

The result? Small-scale farmers are driven out of international food supply chains and off their land. Instead, farmers may be forced into precarious work on large plantations that can meet supermarket requirements on price and quality, or into swelling urban slums.

\*\*\*

**THE FRESH PRODUCE EXPORTERS' ASSOCIATION OF KENYA ESTIMATES THE NUMBER OF SMALL-SCALE FARMERS WHO EXPORT HORTICULTURE PRODUCTS DECLINED BY 5,000 IN 2013-14 ALONE.<sup>48</sup>**

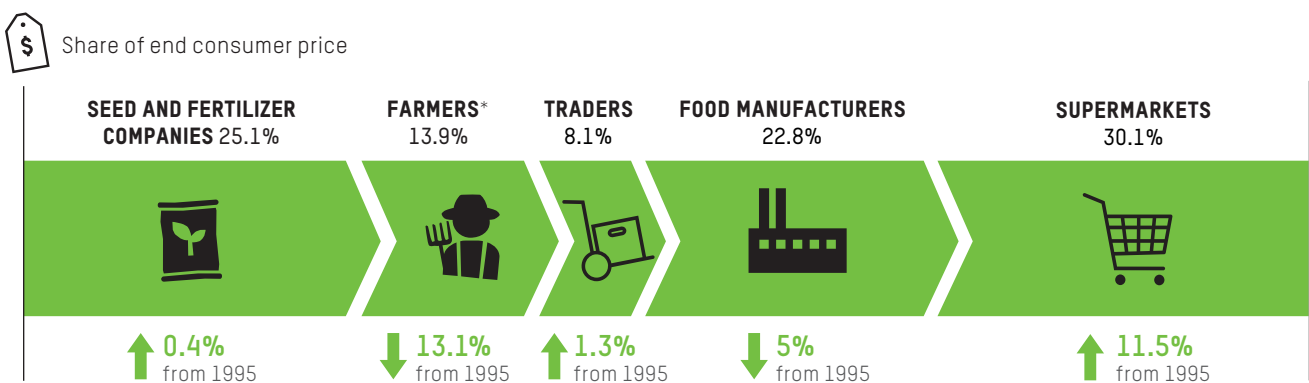
\*\*\*

## SUPERMARKETS DRIVING GROWING INEQUALITY

If anything, the power imbalance in supermarket supply chains seems to be getting worse – a driver of increasing inequality.

New research for Oxfam by leading academic global value chain experts, finds – as shown in Figure 8 – that between 1995 and 2011 (the last year for which worldwide data is available), not only did supermarkets capture the greatest share of any supply chain actor of the money their customers spent at the checkout, but that over this period their share increased – from 27% to over 30%. Over the same period, meanwhile, the share reaching farmers declined from just 16% in 1995 to less than 14% in 2011, with farmers in some countries receiving just 7% on average.<sup>50</sup>

FIGURE 8: BETWEEN 1995–2011, SUPERMARKETS CAPTURED THE BIGGEST SHARE OF THE END CONSUMER PRICE IN GLOBAL FOOD SUPPLY CHAINS, AND SAW THEIR SHARE INCREASE THE MOST



Note: Data at the global aggregate level, 1995–2011. \*Small- and large-scale.

Source: Adapted from A. Abdulsamad and G. Gereffi. (Forthcoming 2018). Measurement in a World of Globalized Production. Durham, NC.: Duke Center on Globalization, Governance and Competitiveness. Research report undertaken for Oxfam America.

However, these results, while pointing to consistent trends across a wide range of both developed and developing countries, only tell a partial story in terms of the experiences of small-scale farmers and workers in developing countries. The context-specific, in-depth studies by BASIC of Oxfam’s 12-product basket paint an even more striking picture.<sup>51</sup>

As shown in Figure 9, the BASIC results also suggest that the supermarket share of the end consumer price – on average across the basket of products and a range of consumer countries – increased, from 43.5% in 1996/8 to 48.3% in 2015, while that of small-scale farmers and workers fell, from 8.8% to 6.5%, over the period.

On products like these, the marked inequality between supermarkets and the people producing the food they sell is even more pronounced. What is more, the results suggest that this squeeze has taken place alongside production cost increases, across these 12 products, of over 70% between 1996/8 and 2015.

This growing inequality in supermarket supply chains acts as a powerful barrier to raising small-scale farmer incomes and worker wages to a decent level – thereby affecting the ability of these people to work their way out of poverty. At best, the skewed distribution means that it will take much longer for small-scale farmers and workers to achieve a living income or wage level. At worst, it traps the women and men in supermarket supply chains in poverty.

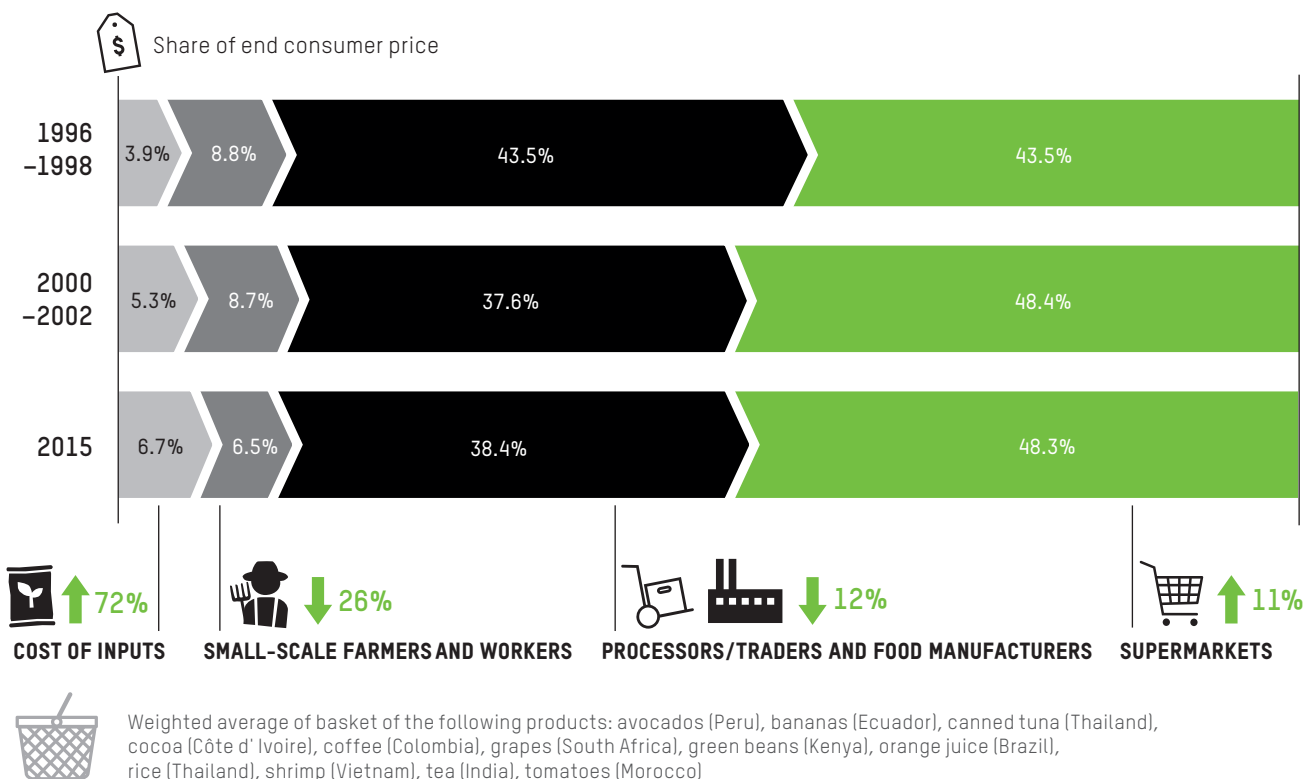
\*\*\*

**FOR PRODUCTS LIKE BRAZILIAN ORANGE JUICE, KENYAN GREEN BEANS, INDIAN TEA, VIETNAMESE SHRIMP AND THAI CANNED TUNA, THE SHARE OF THE END CONSUMER PRICE LEFT FOR SMALL-SCALE FARMERS OR WORKERS IN 2015 WAS LESS THAN 5%.**

\*\*\*

Until small-scale farmers and workers get a larger share of the value of their produce, inequality will continue to grow and progress in tackling poverty will stall.

FIGURE 9: FOR CERTAIN PRODUCTS, THE INEQUALITY BETWEEN SUPERMARKETS AND THE PEOPLE PRODUCING THE FOOD THEY SELL IS PARTICULARLY STARK



Source: C. Alliot et al. (Forthcoming). Distribution of Value and Power in Food Value Chains. Oxfam-commissioned research undertaken by BASIC.

## THE SUPERMARKET SECTOR AT A CROSSROADS

After years of expansion, there are signs that the supermarket industry is reaching a critical fork in the road, with competing forces pulling it in opposite directions.

On one side, discount food retailers such as Aldi North, Aldi South and Lidl are expanding their sales and influence in the supermarket sector, while low-cost retail titan Amazon's 2017 buy-out of Whole Foods sent shockwaves through the US supermarket sector. Nearly \$12bn was wiped from Whole Foods' competitors' market value in a single day as the company committed to a new strategy of 'continuously lower prices'.<sup>53</sup> The increased influence of such actors could threaten a new era of even more ruthless cost-cutting and an acceleration of the race to the bottom on social and environmental supply chain standards.

But on the other side, the global inequality crisis and gathering pace of climate change are exposing the vulnerability of the current supply chain model, just as new norms of responsible business are taking hold and new technologies emerging that can empower investors and consumers alike with more insight into the origins of our food.<sup>54</sup> Taken together, these trends should be a powerful signal to the supermarket sector of the need for an alternative, fairer and more sustainable approach.

All this means that the time is ripe for a reappraisal of the supermarket industry. The question now is whether retailers choose to double-down on the existing model with its high risks of human suffering – or pursue a different way of doing business.

\*\*\*

**WORLDWIDE, 780 MILLION PEOPLE ARE WORKING, BUT IN POVERTY. PROGRESS IN REDUCING WORKING POVERTY RATES IS SLOWING GLOBALLY AND SEEMS SET TO WORSEN IN THE POOREST COUNTRIES.<sup>52</sup>**

\*\*\*



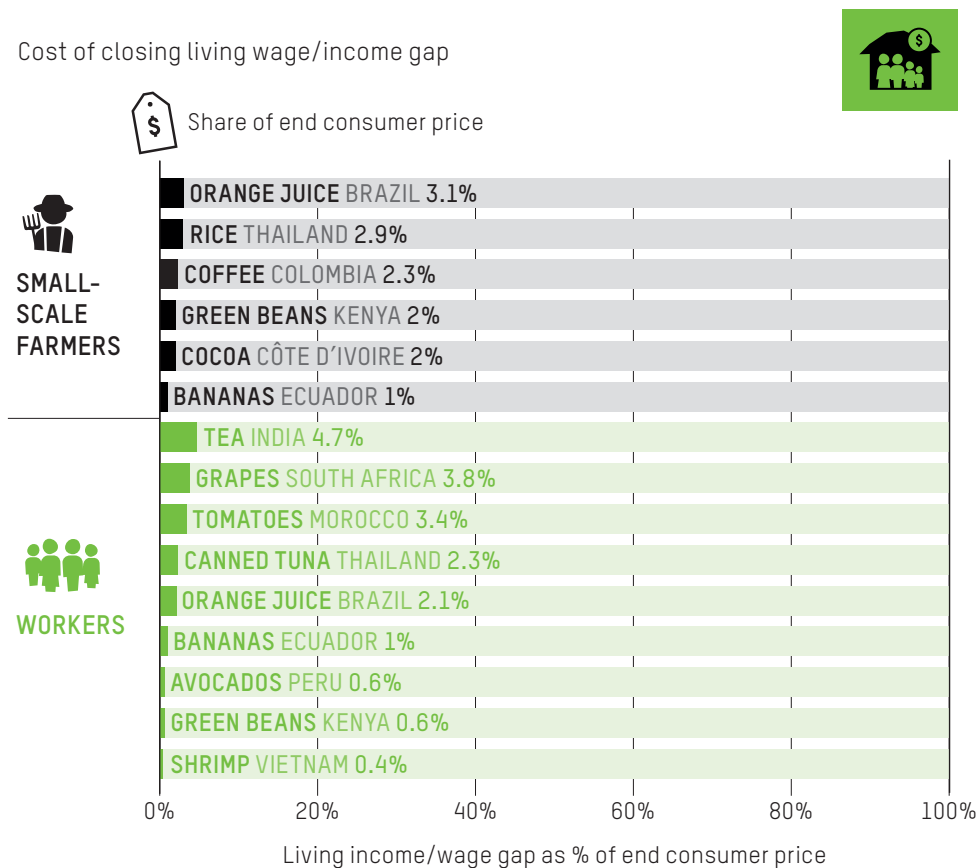
## TOWARDS A FOOD RETAIL REVOLUTION

The future need not be marked by new and more extreme forms of economic exploitation and heightened inequality in ever-expanding supermarket supply chains.

BASIC's analysis for Oxfam suggests that it is entirely possible for small-scale farmers and workers to earn a living income in supermarket supply chains.<sup>55</sup> As shown in Figure 10, supermarkets and other supply chain actors would need to invest only a marginal amount to close the gap between prevailing and living incomes or wages in comparison to the end consumer price – no more than 5% across our basket of 12 products, and often less than 1%.

And consumer prices may not need to rise to achieve this additional investment. In each of these 12 cases, the extra investment needed by supply chain actors is far less than the amount by which supermarkets (or other lead firms) have increased their share of the end consumer price in the last 10–15 years.<sup>56</sup>

FIGURE 10: FOR MANY PRODUCTS, THE INVESTMENT NEEDED TO CLOSE THE GAP BETWEEN PREVAILING AND LIVING INCOMES OR WAGES IS MARGINAL COMPARED TO THE END CONSUMER PRICE

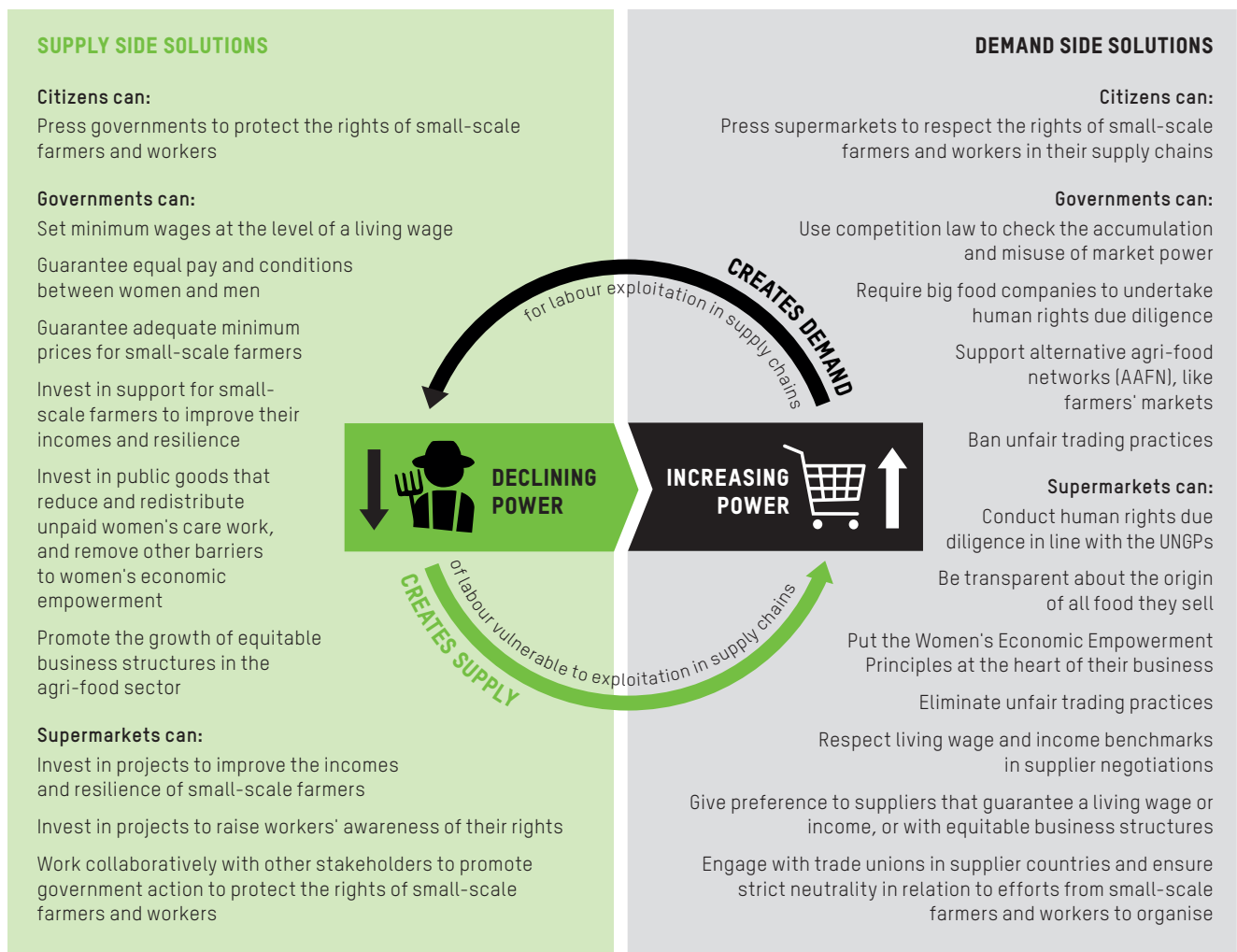


Note: Data as of 2015. Some commodities appear twice, as they are both produced by small-scale farmers and by waged workers on large-scale plantations, in processing facilities or on fishing vessels.

Source: C. Alliot et al. (Forthcoming). Distribution of Value and Power in Food Value Chains. Oxfam-commissioned research undertaken by BASIC.

Rebalancing power between supermarkets on the one hand, and farmers and workers on the other, would encourage a fairer sharing of the industry's huge revenues and open up space for alternatives to the current supermarket model to grow. While there is no silver bullet, action from governments, small-scale farmers and workers, and from supermarkets and other private sector actors – examples of which are explored in Figure 11 and below – will be critical. Taken together, these could be the first steps towards a revolution in the food retail sector.

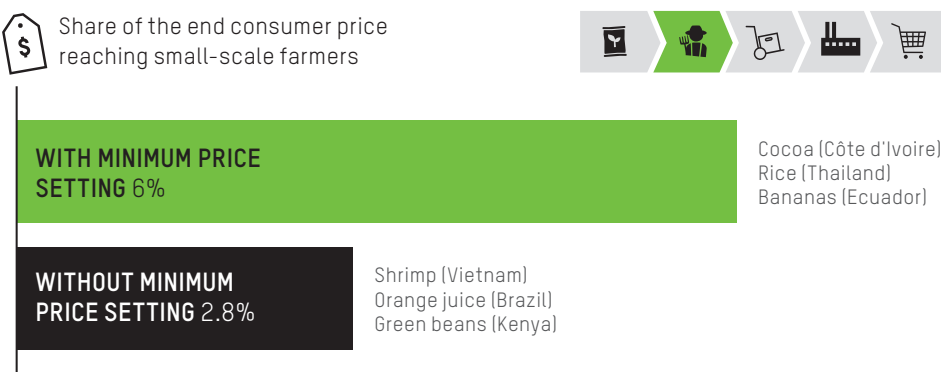
**FIGURE 11: ENDING HUMAN SUFFERING IN FOOD SUPPLY CHAINS REQUIRES TACKLING THE IMBALANCE OF POWER BETWEEN SUPERMARKETS AND THE PEOPLE WHO PRODUCE THEIR FOOD**



**Government action in producer countries**

BASIC's analysis of Oxfam's 12-product basket suggests that in countries where governments have intervened to set minimum prices for agricultural commodities, small-scale farmers receive a share of the end consumer price that is around twice as high as farmers who do not receive such support (Figure 12).

**FIGURE 12: GOVERNMENT INTERVENTION TO SET MINIMUM PRICES FOR AGRICULTURAL COMMODITIES BENEFITS SMALL-SCALE FARMERS IN FOOD SUPPLY CHAINS**



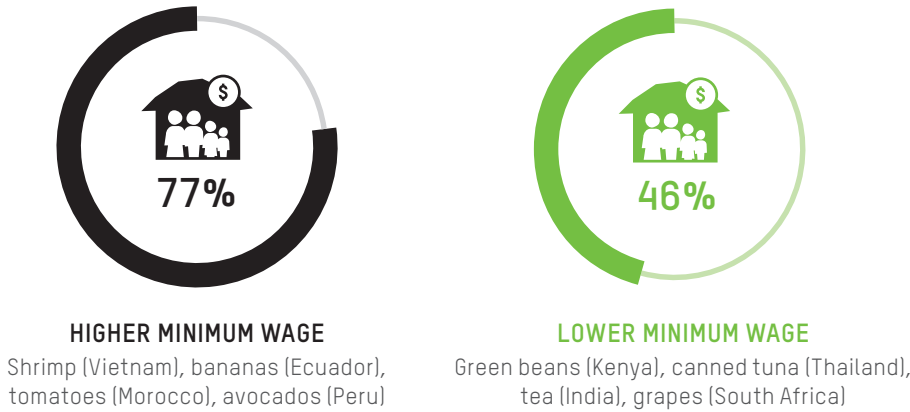
Note: Data from 2015. The commodities shown are those analysed that are produced by small-scale farmers, so where minimum price setting is relevant.

Source: C. Alliot et al. (Forthcoming). Distribution of Value and Power in Food Value Chains. Oxfam-commissioned research undertaken by BASIC.

Similarly, where governments – like those in Vietnam, Ecuador, Morocco and Peru – have set relatively higher minimum wages – defined here as exceeding 50% of monthly GDP/capita<sup>57</sup> – BASIC’s analysis finds that their workers’ earnings are much closer to living wage benchmarks.

**FIGURE 13: HIGHER MINIMUM WAGES HELP NARROW THE LIVING WAGE GAP FOR WORKERS IN FOOD SUPPLY CHAINS**

Average wage as % of living wage



Note: Data from 2015. The commodities shown are those analysed that are produced on large-scale plantations, in processing facilities or on fishing vessels, so where waged work is relevant. Higher minimum wage is defined as exceeding 50% of monthly GDP/capita, and lower minimum wage as less than 50% of monthly GDP/capita.

Source: C. Alliot et al. (Forthcoming). Distribution of Value and Power in Food Value Chains. Oxfam-commissioned research undertaken by BASIC.

While such government interventions clearly play a critical role in supporting small-scale farmers and workers to achieve a decent standard of living, they are insufficient on their own. Both Ecuador and Côte d’Ivoire have experienced challenges in implementing, respectively, minimum wage and price initiatives in the face of countervailing world market pressures.<sup>59</sup> To be successful, government support must go hand-in-hand with efforts to address the market forces that squeeze value from producers.

### Collective action by small-scale farmers, workers and women in producer countries

Building the bargaining power of small-scale farmers and workers through collective action is critical in this regard. BASIC’s analysis suggests that small-scale farmers benefit from much higher shares of the end consumer price – around 26% – where they are organized in cooperatives which can achieve economies of scale up to the point of export, compared with those who are not and retain only around 4%.

\*\*\*

**‘EVEN THE MINIMUM WAGE WOULD NOT BE ENOUGH, LET ALONE THE WAGES OF MISERY THAT THEY PAY US.’**

\*\*\*

Worker at a packing station in Ecuador run by El Naranjo, supplier of Lidl<sup>58</sup>

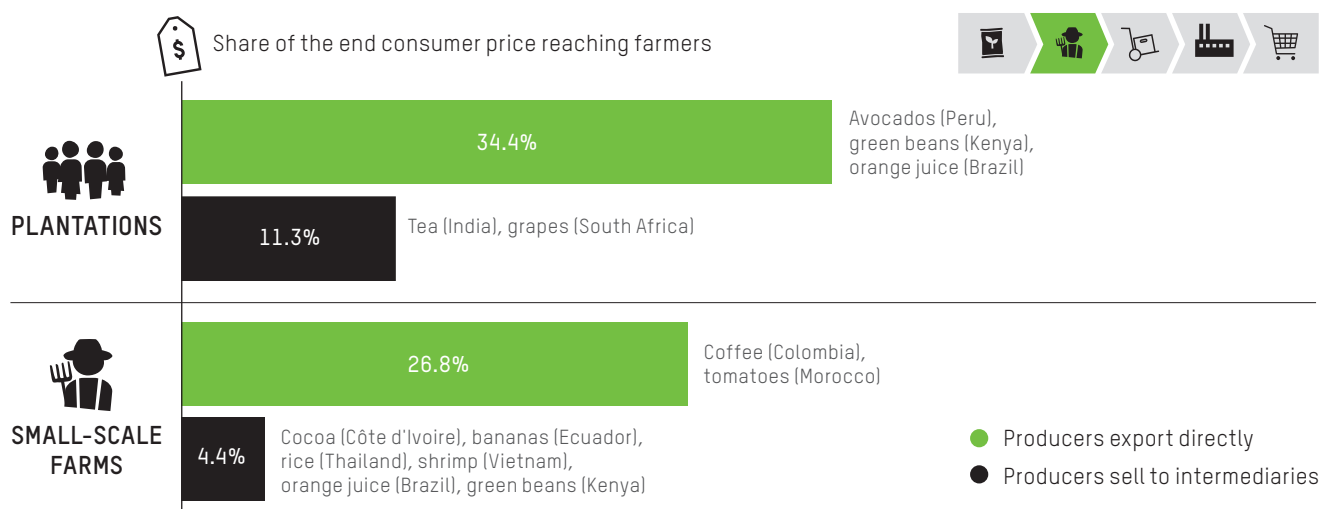
\*\*\*

**‘WHEN I JOINED THE COOPERATIVE, WE WERE TRAINED, WE LEARNED AND I FELT RELIEVED THAT I WOULD HAVE A GOOD LIFE ONE DAY [...] WHAT MAKES ME PROUD IN LIFE IS WHEN I BUY CLOTHES OR FOOD WHEN MY CHILDREN NEED IT.’**

\*\*\*

Tuzamurane Cooperative member, Rwanda<sup>60</sup>

FIGURE 14: COLLECTIVE ACTION INCREASES THE BARGAINING POWER OF SMALL-SCALE FARMERS IN FOOD SUPPLY CHAINS



Note: Data from 2015. Some commodities appear twice, as they are both produced by small-scale farmers and by waged workers on large-scale plantations, in processing facilities or on fishing vessels.  
 Source: C. Alliot et al. (Forthcoming). Distribution of Value and Power in Food Value Chains. Oxfam-commissioned research undertaken by BASIC.

### Government action in retail countries

There are a number of regulatory tools available to governments to address the growth in supermarket power head on.

The use of unfair trading practices can be curtailed through legislative action – as has been proposed by the European Commission<sup>61</sup> – and competition law used to break up concentrated buyer power.<sup>62</sup>

National action plans are being drawn up under the UN Guiding Principles on Business and Human Rights (UNGPs), which together with new human rights due diligence legislation in many countries<sup>63</sup> require companies to do more to get to the bottom of and address problems in their supply chains. Meanwhile, negotiations have begun on a binding international human rights instrument to regulate business.<sup>64</sup>

Allied with the emergence of new technology such as ‘blockchain’, these developments create a compelling opportunity for radically enhanced supply chain transparency that can help prevent the worst abuses from continuing to go unseen and unaddressed.

\*\*\*

**RADICALLY ENHANCED SUPPLY CHAIN TRANSPARENCY CAN HELP PREVENT THE WORST ABUSES FROM GOING UNSEEN AND UNADDRESSED.**

\*\*\*

### Supermarkets grasping the nettle of change

While stronger government regulation and empowered farmers and workers are vital to rebalancing power in supermarket supply chains, there is much more that supermarkets themselves can and should do – in line with the UNGPs, and the increasing expectations of their customers – to respect the human rights of those working to supply them.

For more than a decade, some supermarkets have started to take voluntary action, but they do not yet go far enough.

Oxfam’s Supermarkets Scorecard sets challenging new benchmarks for the industry to move towards a fairer and more inclusive supply chain model. Achieving them will not be easy, and they are no substitute for the measures required of other stakeholders, such as government, but they offer a path for supermarkets to demonstrate their commitment to fairer, more sustainable supply chains for the women and men who work in them.

## BOX 1: SCORING SUPERMARKET SUPPLY CHAIN POLICIES

To inform Oxfam's campaign, we assessed the publicly available supply chain policies and reported practices disclosed by some of the biggest and fastest growing supermarkets in Germany, the Netherlands, the UK and the US.

The assessment focused on the transparency of the supermarkets' supply chains, and on the treatment of the workers, small-scale farmers and women in those chains.

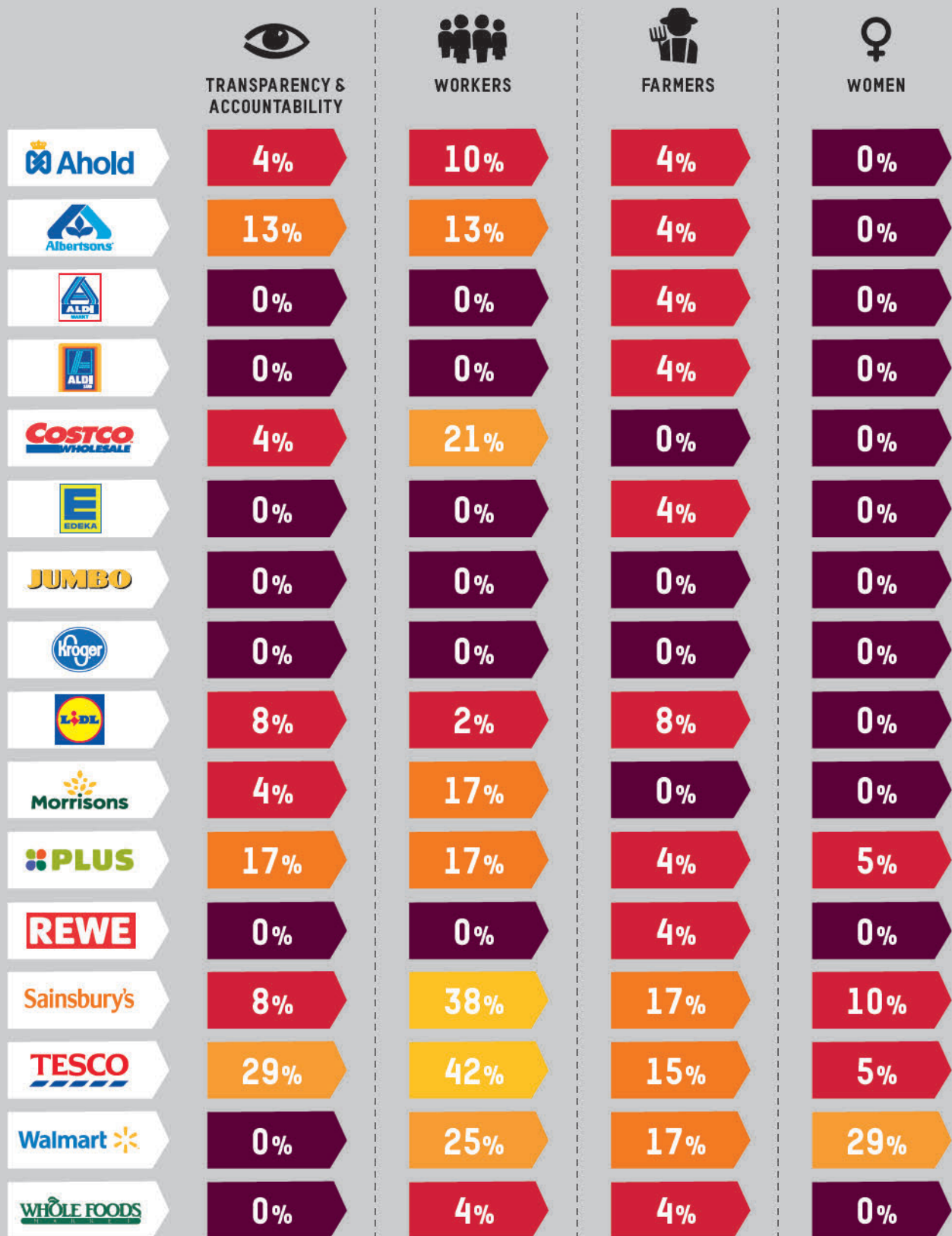
Overall, the initial results indicate a striking gap between current supermarket policies and practice and Oxfam's benchmarks, which are based on robust international standards and widely recognized good practice.

- All 16 supermarkets achieve very low scores across all of the issues assessed, with the lowest scores found in the **'Women'** and **'Transparency and Accountability'** themes, demonstrating that retailers have yet to make strong commitments on traceability within their supply chains. There is an almost universal lack of attention from major supermarkets to the issues women face in the industry.
- In the **'Transparency and Accountability'** theme, half of the companies were found to have some basic foundations in place for effectively managing human rights risks in their supply chains, but few practice effective human rights due diligence. All companies failed to demonstrate the results of grievance mechanisms; that they can trace key ingredients in their supply chains; or that they monitor wage and income levels – including gender pay gaps. *Highest score = 29% (Tesco), average score 5%, 13 scored less than 10%, of which 8 scored 0.*
- In the **'Workers'** theme, many companies were found to have codes of practice that require their suppliers, for example, to pay decent wages or reduce working hours, but without providing the support that suppliers need to comply. Only one company – Sainsbury's – was found to check whether its own actions are preventing suppliers from being able to comply with their code. Three UK companies – Tesco, Sainsbury's and Asda (Walmart) – scored highest in this theme, where long and active membership of the Ethical Trading Initiative, as well as the UK's Modern Slavery reporting laws, helped drive good practice. *Highest score = 42% (Tesco), average score 12%, 8 scored less than 10%, of which 5 scored 0.*
- In the **'Farmers'** theme, we found companies are only making limited efforts to support small-scale producers, and those efforts mainly take the form of sourcing Fairtrade and other certified goods, rather than making direct efforts to ensure that farmers earn living incomes, to strengthen farmers' negotiating power or to assess the impact of trade on farmers' human rights. *Farmers theme: Highest scores = 17% (Sainsbury's and Walmart), average score 6%, 13 scored less than 10%, of which 3 scored 0.*
- The biggest gaps were found in the **'Women'** theme, where all but four companies scored nothing at all – indicating that retailers need to pay more attention and to address the specific challenges and systematic problems women face in their supply chains. Walmart scored 29% for commitments it has made to sourcing from women-owned companies, and to provide direct support to women in their supply chains. This shows what is possible if companies have the will to act. *Women theme: Highest score = 29% (Walmart), average score 3%, 14 scored less than 10%, of which 12 scored 0.*

These assessments will be repeated annually, making it possible for supermarket customers, investors and other stakeholders to track progress across the board.

A description of the methodology is included in Annex 1, and the full results are available [here](#). Additional scorecard analysis can be found in the national reports: [UK Supermarket Supply Chains](#), [US Supermarket Supply Chains](#), [German Supermarket Supply Chains](#), and [Dutch Supermarket Supply Chains](#).

# SUPERMARKETS SCORECARD



THESE SCORES ARE BASED ON SUPERMARKETS' PUBLICLY REPORTED POLICIES AND ACTIONS IN THEIR FOOD SUPPLY CHAINS.

REPORTED HUMAN RIGHTS ALLEGATIONS IN THE SUPPLY CHAINS OF COMPANIES CAN BE FOUND HERE: [WWW.BUSINESS-HUMANRIGHTS.ORG/BARCODES](http://WWW.BUSINESS-HUMANRIGHTS.ORG/BARCODES)

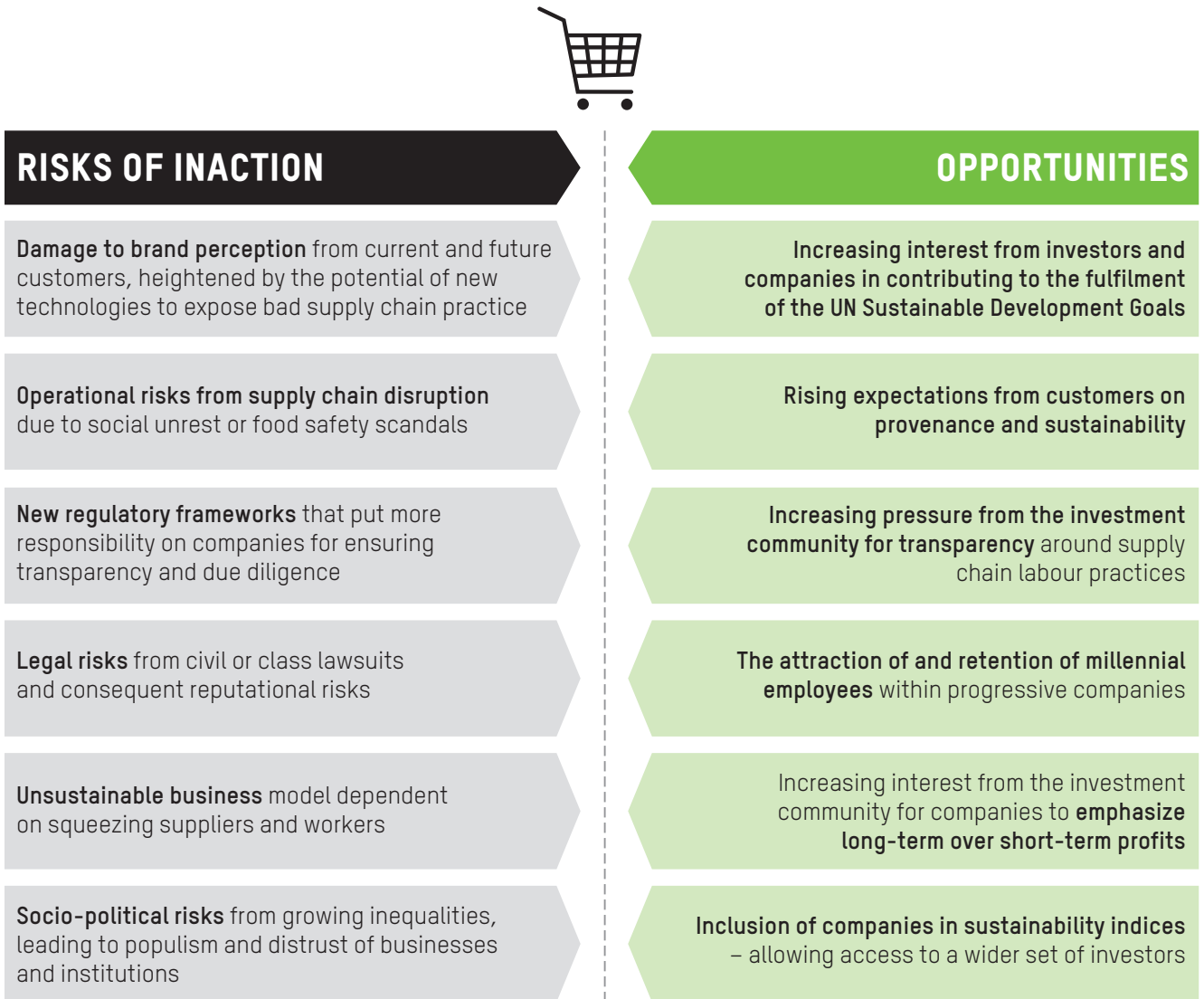


POOR → GOOD

## The business case for action

The current supermarket supply chain model is deeply ingrained, and will not be easily reformed. But in addition to the clear ethical duty of supermarkets to respect human and labour rights, the evidence presented in this report points to a compelling business case for action.

FIGURE 16: THE BUSINESS CASE FOR MORE SUSTAINABLE FOOD SUPPLY CHAINS RESTS ON CAPTURING OPPORTUNITIES AND ADDRESSING THE RISKS OF INACTION



Source: Various sources including Ethical Trading Initiative and Holt International Business School (2016), Corporate Leadership on Modern Slavery, London: Ethical Trading Initiative; UN Principles on Responsible Investment (2016), From Poor Working Conditions to Forced Labour - What's Hidden in Your Portfolio? A Guide to Investor Engagement on Labour Practices in Agricultural Supply Chains, London: UNPRI; Deloitte (2016), The Ripple Effect: How Manufacturing and Retail Executives View the Growing Challenge of Supply Chain Risk, London: Deloitte; and Price Water House Cooper (2016), Workforce of the Future: the Competing Forces Shaping 2030, London: PWC.

## RECOMMENDATIONS

Growing inequality and the economic exploitation of women and men are hardwired into many supermarket supply chains. There is no quick fix. But sustained effort to rebalance power in food supply chains, with action from governments, from small-scale farmers and workers, and from supermarkets and other industry actors themselves can make a difference to millions of lives.

Oxfam is joining forces with citizens from around the world to call for an end to human suffering in supermarket supply chains. A full set of detailed recommendations is included in the main report.

Our goal is to ensure in the coming years that:

- consumers will find it unacceptable to be sold food that is produced with human suffering, and will demand change;
- governments will re-establish and enforce vital protections for small-scale farmers and workers, and rein in the abuse of power by supermarkets and their suppliers;
- small-scale farmers and workers will be empowered to negotiate a fairer deal with their buyers or employers, and women among them will be firmly established at the negotiating table with their rights respected; and
- supermarkets and their suppliers will change their core business models, to share more power and distribute more revenues to the women and men who supply them.

Oxfam firmly believes that within our lifetime, no one will have to live in extreme poverty. A better deal for the women and men producing our food will ensure that day arrives all the sooner.

A member of the Tuzamurane Cooperative picks a pineapple on her farm in Rwanda. She uses the income from pineapples to support her family. Photo: Aurelie Marrier d'Unienville





# NOTES

Except where stated otherwise, all links were last accessed May 2018.

- 1 G20 Labour and Employment Ministers Ministerial Declaration. (2017, 19 May). Towards an Inclusive Future: Shaping the World of Work. Retrieved from: [http://www.bmas.de/SharedDocs/Downloads/DE/PDF-Pressemitteilungen/2017/g20-ministerial-declaration.pdf?\\_\\_blob=publicationFile&v=2](http://www.bmas.de/SharedDocs/Downloads/DE/PDF-Pressemitteilungen/2017/g20-ministerial-declaration.pdf?__blob=publicationFile&v=2)
- 2 Oxfam calculations; for details please see the methodology note in Annex 1. R. Willoughby and T. Gore. (2018). Ripe for Change: Methodology note. Nairobi: Oxfam. Retrieved from: <https://doi.org/10.21201/2018.263>
- 3 D. Alejo Vázquez Pimentel, I. Macías Aymar and M. Lawson. (2018). Reward Work, Not Wealth: To end the inequality crisis, we must build an economy for ordinary working people, not the rich and powerful. Nairobi: Oxfam. DOI: 10.21201/2017.1350 Retrieved from: <https://doi.org/10.21201/2017.1350>
- 4 Note that for the purposes of this report, a ‘supermarket’ comprises a self-service food retail market selling a variety of food and household items, organized into departments. Our use of the term ‘supermarket’ also comprises large supermarkets such as ‘hypermarkets’, which specialize in food as well as other consumer goods, and ‘discounters’, which focus on a budget segment of the food retail market.
- 5 According to the ILO Forced Labour Convention, 1930 (No. 29), forced or compulsory labour is defined as ‘all work or service which is exacted from any person under the threat of a penalty and for which the person has not offered himself or herself voluntarily’. As the ILO notes, ‘it refers to situations in which persons are coerced to work through the use of violence or intimidation, or by more subtle means such as manipulated debt, retention of identity papers or threats of denunciation to immigration authorities.’ See: <http://www.ilo.org/global/topics/forced-labour/definition/lang--en/index.htm>
- 6 In this report, the risk of hunger is used synonymously with conditions of moderate or severe food insecurity. See note 39 for a definition of food insecurity.
- 7 Note that the legal basis for international human and labour rights obligations are found in the Universal Declaration of Human Rights (1948); the International Covenant on Economic Social and Cultural Rights (1966) and the International Covenant on Civil and Political Rights (1966). Other relevant international labour standards can be found in the eight fundamental Conventions of the International Labour Organization, which can be accessed here: <http://www.ilo.org/global/standards/introduction-to-international-labour-standards/conventions-and-recommendations/lang--en/index.htm>
- 8 Oxfam’s new campaign is called Behind the Barcodes in some countries and Behind the Price in others.
- 9 D. Hardoon. (2016). An Economy for the 99%: It’s time to build an economy that benefits everyone, not just the privileged few. Oxford: Oxfam. Retrieved from: <https://policy-practice.oxfam.org.uk/publications/an-economy-for-the-99-its-time-to-build-a-human-economy-that-benefits-everyone-620170>
- 10 Based on grocery spend of the 12 weeks up to 30 December 2017. M. Watkins. (2018, 9 January). UK: Christmas grocery spend up £500m over “golden quarter”. Retrieved from: <https://doi.org/10.21201/2017.8616>
- 11 Distrifood. (2018). Marktaandelen 2007–2017 Nielsen. Retrieved from: <http://www.distrifood.nl/service/marktaandelen>
- 12 See Figure 22 in the main report.
- 13 D. Vaughan-Whitehead and L.P Caro. (2017). Purchasing Practices and Working Conditions in Global Supply Chains: Global Survey Results. Retrieved from: [http://www.ilo.org/travail/info/fs/WCMS\\_556336/lang--en/index.htm](http://www.ilo.org/travail/info/fs/WCMS_556336/lang--en/index.htm). See Appendix 1 in the main report for a list of unfair trading practices and references.
- 14 D. Vaughan-Whitehead and L.P Caro. (2017). Purchasing Practices and Working Conditions in Global Supply Chains. Op. cit.  
  
G. Ellison. (2017). Grocery Code Adjudicator: Annual Survey Results. London: YouGov. Retrieved from: [https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/623564/GCA\\_Annual\\_Sector\\_Survey\\_Results.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/623564/GCA_Annual_Sector_Survey_Results.pdf)  
  
European Parliament. (2016). Report on Unfair Trading Practices in the Food Supply Chain. Committee on Internal Market and Consumer Protection. Brussels: European Parliament. Retrieved from: <http://www.europarl.europa.eu/sides/getDoc.do?pubRef=-//EP//TEXT+REPORT+A8-2016-0173+0+DOC+XML+V0//EN>  
  
See Appendix 1 in the main report for a list of unfair trading practices and references.
- 15 With a net worth of \$130bn. See Forbes: <https://www.forbes.com/profile/walton-1/>
- 16 Data from The World Bank Data Bank, accessed December 2017. Available at: <http://databank.worldbank.org/data/home.aspx>.  
  
Figures show a gross national income for Nigeria of \$396,373,000,000, based on current US\$ in 2016.  
Figures show a gross national income for Norway of \$390,635,000,000, based on current US\$ in 2016.
- 17 Oxfam calculations; for details please see the methodology note in Annex 1. R. Willoughby and T. Gore. (2018). Ripe for Change: Methodology note. Op. cit.
- 18 Ibid.
- 19 From 2006 to 2016. Ibid.
- 20 A ‘worker’ is a person of working age who during a specific period was either in paid employment or self-employment. To these ends, a ‘worker’ holds or held a job defined as ‘paid employment’, where the incumbent holds explicit (written or oral) or implicit employment contracts that give them basic remuneration. This definition therefore includes formal contracted workers and informal contracted workers. See: International Labour Organization, Employment by Status. Retrieved from: [http://www.ilo.org/ilostat-files/Documents/description\\_STE\\_EN.pdf](http://www.ilo.org/ilostat-files/Documents/description_STE_EN.pdf)  
  
A ‘small-scale farmer’ or ‘smallholder’ is a farmer, pastoralist, forest keeper or fisher who manages areas ranging from less than one hectare to 10 hectares. See: UN Food and Agriculture Organization (2012). Enduring Farms: Climate Change, Smallholders and Traditional Farming Communities. Rome: FAO. Retrieved from: [http://www.fao.org/fileadmin/templates/nr/sustainability\\_pathways/docs/Factsheet\\_SMALLHOLDERS.pdf](http://www.fao.org/fileadmin/templates/nr/sustainability_pathways/docs/Factsheet_SMALLHOLDERS.pdf)
- 21 J. Kydd and A. Dorward. (2001). The Washington consensus on poor country agriculture: Analysis, prescription and institutional gaps. *Development Policy Review*, 19(4), 467–478. Retrieved from: <https://doi.org/10.1111/1467-7679.00145>

- 22 O. de Schutter. (2011). The World Trade Organization and the Post-Crisis Agenda. Report of the UN Special Rapporteur on the Right to Food. Retrieved from: [https://www.wto.org/english/news\\_e/news11\\_e/deschutter\\_2011\\_e.pdf](https://www.wto.org/english/news_e/news11_e/deschutter_2011_e.pdf)
- 23 The ILO observes a long-term decline in union membership rates in many countries. See ILO (2015), Trends in Collective Bargaining Coverage: Stability, erosion or decline? Retrieved from: [http://www.ilo.org/global/topics/collective-bargaining-labour-relations/publications/WCMS\\_409422/lang--en/index.htm](http://www.ilo.org/global/topics/collective-bargaining-labour-relations/publications/WCMS_409422/lang--en/index.htm). The organization of workers is particularly weak within food supply chains. In a global survey of nearly 1,500 companies in global supply chains, less than a quarter of food suppliers noted the presence of trade unions. See D. Vaughan-Whitehead and L.P. Caro (2017). Purchasing Practices and Working Conditions in Global Supply Chains: Global Survey Results. Geneva: International Labour Organization. Retrieved from: [http://www.ilo.org/travail/info/fs/WCMS\\_556336/lang--en/index.htm](http://www.ilo.org/travail/info/fs/WCMS_556336/lang--en/index.htm)
- 24 See the International Trade Union Confederation's regional living wage campaigns: <https://www.ituc-csi.org/wagescampaign>
- 25 At its root, the concept of a living wage is that a worker and their family should be able to afford a basic, but decent, lifestyle that is considered acceptable by society at its current level of economic development. Under this definition, workers and their families should be able to live above the poverty line and participate in social and cultural life. For more information on the concept and measurement tools, see R. Anker and M. Anker (2017). Living Wages Around the World. Cheltenham: EE Elgar. Available at: [http://www.e-elgar.com/shop/living-wages-around-the-world\[paywall\]](http://www.e-elgar.com/shop/living-wages-around-the-world[paywall]).
- 26 D. Vaughan-Whitehead and L.P Caro. (2017). Purchasing Practices and Working Conditions in Global Supply Chains. Op. cit.
- 27 OHCHR and UNWOMEN. (2013). Realizing Women's Right to Land and Other Productive Resources. Retrieved from: <http://www.ohchr.org/Documents/Publications/RealizingWomensRightstoLand.pdf>
- 28 ETUC. (2003). Women in Trade Unions: Making the difference. Retrieved from: <https://www.etuc.org/en/publication/women-trade-unions-making-difference-0>
- 29 D. Chopra. (2014). Towards Gender Equality with Care-sensitive Social Protection. Retrieved from: <http://www.ids.ac.uk/publication/towards-gender-equality-with-care-sensitive-social-protection>
- 30 The ILO has found that women workers are often expected to provide sexual services or endure harassment in exchange for gaining a job or a promotion. See International Labour Organization (2017). Ending Violence and Harassment against Women and Men in the World of Work. Geneva: ILO. Retrieved from: [http://www.ilo.org/wcmsp5/groups/public/---ed\\_norm/---relconf/documents/meetingdocument/wcms\\_553577.pdf](http://www.ilo.org/wcmsp5/groups/public/---ed_norm/---relconf/documents/meetingdocument/wcms_553577.pdf)
- 31 S. Barrientos. (2001). Gender, Flexibility and Global Value Chains. *IDS Bulletin*, 32(3), 83–93. Retrieved from: <https://opendocs.ids.ac.uk/opendocs/handle/123456789/8749>
- 32 D. Dalabajan and A.K. Dinglasan. (2018). Land But No Freedom: Debt, poverty and suffering in the Philippine banana trade. Manila: Oxfam in the Philippines. Retrieved from: <https://doi.org/10.21201/2018.2647>
- 33 L. Griek, J. Penikett and E. Hougee. (2010). Bitter Harvest: Child Labour in the Cocoa Supply Chain. Sustainalytics. Retrieved from: <http://www.cocoainitiative.org/wp-content/uploads/2017/09/Bitter-Harvest-Child-Labour-in-the-Cocoa-Supply-Chain.pdf>
- 34 Man-Kwun Chan (2012). Making Agricultural Value Chain Programmes Work for Workers: A Practical Guide for Development Donors and Practitioners. WIEGO. Retrieved from: [http://www.wiego.org/sites/default/files/publications/files/Chan\\_WIEGO\\_TB4.pdf](http://www.wiego.org/sites/default/files/publications/files/Chan_WIEGO_TB4.pdf)
- 35 S. Barrientos. (2001). Gender, Flexibility and Global Value Chains. *IDS Bulletin*, 32(3), 83–93. Retrieved from: <https://doi.org/10.1111/j.1759-5436.2001.mp32003009.x>
- 36 World Bank, FAO and IFAD. (2009). Gender in Agriculture Sourcebook. Washington DC: World Bank. Retrieved from: <http://siteresources.worldbank.org/INTGENAGRLIVS0UBOOK/Resources/CompleteBook.pdf>
- 37 International Labour Organization. (2017). Global Estimates of Modern Slavery, Forced Labour and Forced Marriage. Geneva: International Labour Organization. Retrieved from: [http://www.ilo.org/global/publications/books/WCMS\\_575479/lang--en/index.htm](http://www.ilo.org/global/publications/books/WCMS_575479/lang--en/index.htm)
- 38 A situation that exists when people (or a person) lack(s) secure access to sufficient amounts of safe and nutritious food for normal growth and development and an active and healthy life. It may be caused by unavailability of food, insufficient purchasing power, inappropriate distribution or inadequate use of food at the household level. Food insecurity, poor conditions of health and sanitation and inappropriate care and feeding practices are the major causes of poor nutritional status. FAO, IFAD, UNICEF, WFP and WHO. (2017). The State of Food and Nutrition in the World 2017: Building Resilience for Peace and Food Security. Rome: FAO. Retrieved from: <http://www.fao.org/3/a-17695e.pdf>
- For more on Oxfam's measurement of food insecurity, see methodology note in Annex 1. R. Willoughby and T. Gore. (2018). Ripe for Change: Methodology note. Op. cit.
- 39 F. Humbert. (2018). The Plight of Pineapple and Banana Workers in Retail Supply Chains. Berlin: Oxfam Germany. Retrieved from: <https://doi.org/10.21201/2018.2654>
- 40 R. Willoughby and T. Gore. (2018). Ripe for Change: Methodology note. Op. cit.
- 41 Philippines banana export data: COMTRADE. (2016). Data for bananas, including plantains fresh and dried. <https://comtrade.un.org/data>
- Pakistan rice export data: COMTRADE. (2016). Data for rice exports. <https://comtrade.un.org/data>
- Thai frozen shrimp and prawn export data: COMTRADE. (2016). Data for crustaceans, frozen, shrimps and prawns, excluding cold water varieties (code 030617). <https://comtrade.un.org/data>
- South African grape export data: COMTRADE. (2016). Data for fresh and dried grape exports. <https://comtrade.un.org/data>
- Italian prepared tomatoes export data: COMTRADE. (2016). Data for prepared and preserved tomatoes. <https://comtrade.un.org/data>
- Export data for Italy does not represent a sample of all fruit and vegetable products from Italy. Rather, data has been selected for prepared Italian tomatoes as an indicative example of a high value export product from the country.
- 42 BASIC website: <https://lebasic.com/en/>
- 43 C. Alliot et al. (Forthcoming). Distribution of Value and Power in Food Value Chains. Oxfam-commissioned research undertaken by BASIC.
- 44 A living income is defined as the net income that a household would need to earn to enable all members of the household to afford a decent standard of living. ISEAL Alliance, Living Income, available here: <https://www.living-income.com/the-concept>
- 45 Oxfam calculations; for details please see the methodology note in Annex 1. R. Willoughby and T. Gore. (2018). Ripe for Change: Methodology note. Op. cit. Based on average CEO salaries at US supermarkets Walmart, Costco and Kroger.

- 46 Ibid.
- 47 Ibid.
- 48 USAID-KAVES. (2015). Fresh Green Bean Value Chain Analysis. Washington DC: USAID. Retrieved from: [http://pdf.usaid.gov/pdf\\_docs/PA00M2T2.pdf](http://pdf.usaid.gov/pdf_docs/PA00M2T2.pdf)
- 49 C. Alliot et al. (Forthcoming). Distribution of Value and Power in Food Value Chains. Op. cit.
- 50 A. Abdulsamad and G. Gereffi. (Forthcoming 2018). Measurement in a World of Globalized Production. Durham, NC: Duke Center on Globalization, Governance and Competitiveness. Research report undertaken for Oxfam America.
- 51 C. Alliot et al. (Forthcoming). Distribution of Value and Power in Food Value Chains. Op. cit. The full dataset for the study is available here: <https://doi.org/10.21201/2018.263>
- 52 ILO. (2017). World Employment and Social Outlook: Trends 2017. Geneva: ILO. Retrieved from: [http://www.ilo.org/wcmsp5/groups/public/---dgreports/---dcomm/---publ/documents/publication/wcms\\_541211.pdf](http://www.ilo.org/wcmsp5/groups/public/---dgreports/---dcomm/---publ/documents/publication/wcms_541211.pdf)
- 53 As reported by CNBC: E. Cheng. (2017, 24 August). Amazon's new Whole Foods discounts wipe out nearly \$12 billion in market value from grocery sellers. Retrieved from: <https://www.cnbc.com/2017/08/24/amazons-new-whole-foods-discounts-wipe-out-10-billion-in-market-value-from-grocery-sellers.html>
- 54 See Section 3 in the main report for more details.
- 55 C. Alliot et al. (Forthcoming). Distribution of Value and Power in Food Value Chains. Op. cit.
- 56 See Table 3 in the main report.
- 57 The ratio between a country's minimum wage and the monthly GDP per capita is an indicator used in Oxfam's Commitment to Reduce Inequality Index. See M. Lawson and M. Martin. (2017). The Commitment to Reducing Inequality Index: A new global ranking of governments based on what they are doing to tackle the gap between rich and poor. Oxfam and Development Finance International. Retrieved from: <https://doi.org/10.21201/2017.0131>
- 58 F. Humbert. (2018). The Plight of Pineapple and Banana Workers in Retail Supply Chains. Op cit.
- 59 C. Alliot et al. (Forthcoming). Distribution of Value and Power in Food Value Chains. Op. cit.
- 60 B. Pennell. (2018). Tuzamurane Pineapple Cooperative, Rwanda: Empowering smallholder farmers to benefit from the global market. Nairobi: Oxfam. Retrieved from: <https://doi.org/10.21201/2018.2661>
- 61 European Commission. (2018, 12 April). Proposal for a Directive on unfair trading practices in business-to-business relationships in the food supply chain. Retrieved from: [https://ec.europa.eu/info/publications/key-documents-unfair-trading-practices\\_en](https://ec.europa.eu/info/publications/key-documents-unfair-trading-practices_en)
- 62 O. de Schutter. (2010). Addressing Concentration in Food Supply Chains: The Role of Competition Law in Tackling the Abuse of Buyer Power. Retrieved from: [http://www.ohchr.org/Documents/Issues/Food/BN3\\_SRRTF\\_Competition\\_ENGLISH.pdf](http://www.ohchr.org/Documents/Issues/Food/BN3_SRRTF_Competition_ENGLISH.pdf)
- 63 For example, The UK Modern Slavery Act (2015); The California Transparency in Supply Chains Act (2012) and The French Duty of Vigilance law (2017). See Section 4 for more details.
- 64 UN Office of the High Commission on Human Rights. Open-ended intergovernmental working group on transnational corporations and other business enterprises with respect to human rights. Retrieved from: <http://www.ohchr.org/EN/HRBodies/HRC/WGTransCorp/Pages/IGWGOntNC.aspx>
- Aldi in the UK is a subsidiary of German retailer Aldi South. Lidl in the UK is a subsidiary of the German company Schwarz Group.
- In assessing supermarkets' performance against the indicators used for the Supermarkets Scorecard, Oxfam has taken into account a company's policies concerning all the products they sell, regardless of whether these are premium products or own brand brands.
- Based on average CEO salaries at US supermarkets Walmart, Costco and Kroger.



**OXFAM**