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BLUEPRINT FOR CHANGE



PHOTOGRAPH | ALEXANDER ULRICH

Thomas Ulrich

Replanting People

Immigrant workers earn a piece of an organic farm

ON A LATE SUMMER MORNING in 2006 along California's central coast, Pedro Tortoledo was cultivating a broccoli field in much the same way he had worked his small farm in central Mexico a decade ago. Today he rode a tractor instead of his old horse, but he was still pulling a disk plow across the moist, untamped earth, listening to the steel blades turning cover crop into dark, fragrant soil.

Before Canada, Mexico, and the United States implemented the North American Free Trade Agreement (NAFTA) in 1994, Tortoledo harvested twenty thousand pounds of corn a year from his eight-acre rancho in Jalisco. But like many of his



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by LYNN MARGULIS and EMILY CASE

compatriots, he abandoned his fields because he could not compete with U.S. farmers who, under NAFTA, grew subsidized corn for 30 percent below their production costs and sold it in Mexico.

A year after the trade agreement took effect, Tortoledo joined hundreds of thousands of migrant farmers in a desperate search for work. Some drifted to northern Mexico to pick tomatoes for seven dollars a day. But others, like Tortoledo, endured often treacherous journeys to the U.S. to earn farmworker wages that were higher than Mexico's, yet still kept families below the U.S. poverty levels.

Tortoledo is a thoughtful man with an affable grin. Throughout his uprooting, he has held fast to the spirit of a homegrown proverb that he and his compañeros are quick to quote: *No hay mal que por bien no venga*—no bad comes without a good.

Today was Tortoledo's turn to experience the good. By eleven a.m., he and twenty-seven other campesinos had put away their tools, gathered at a barracklike farmstand, and, in a formal presentation, become the first farmworkers in the nation to receive certificates for an employee stock ownership plan (ESOP).

Their employer, Swanton Berry Farm, an eighty-acre organic vegetable, kiwi, olallieberry, and strawberry farm near Santa Cruz, is by no means the first employer to offer ESOPs, a common form of employee ownership. But it is the first farm in the nation to extend the program beyond family members—and to reach some of the nation's most needy candidates, including workers on organic farms.

Unlike most companies, Swanton makes its ESOP available to part-time workers. Otherwise, the plan is like most any other: each year, Swanton invests a portion of the farm's profit in workers' ESOP accounts, basing the amount on how many hours a worker logged that year and how much the farm netted.

"The more we contribute," Tortoledo says in Spanish, "the more we benefit."

Farmworkers, including those on organic farms, have evidently reaped little of the nation's economic growth in the past fifteen years. No recent comprehensive data on wages and benefits are available. But according to a 2000 Department of Labor survey covering the previous decade, inflation-adjusted hourly wages for crop workers fell from \$6.89 to \$6.18, the percentage of the workers who earned paid vacations or holidays declined from 26 to 10 percent, and only 5 percent of them received health insurance in 2000.

Government agencies that track agricultural wages and labor conditions do not distinguish conventional from organic farms, and the U.S. Department of Agriculture does not monitor or certify labor practices in its organic labeling. But farmers, labor advocates, and industry observers say that workers on organic farms have fared little better than those at conventional farms—despite 20 percent annual growth in sales of organic products over the past decade.

Gail Feenstra, food systems analyst at the University of California, Davis, and co-author of a 2006 survey of organic farms in the state, points out that larger holdings have dominated the industry's growth. The bigger farms tend to offer better benefits to workers, she says, but can also price products more cheaply than smaller growers, putting them under additional pressure to keep expenses low. "It is still a struggle," she says, "for well-intentioned small and mid-sized organic farmers to provide workers with a living wage."

Nor are low wages offset by perks: Feenstra's survey found that fewer than half of California's small and mid-sized organic farmers offer workers a single fringe benefit, while less than 18 percent of them provide health insurance. Farm owners in fourteen states are legally required to cover work-related injuries, including the

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Replanting People
by THOMAS ULRICH

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POEMS:

repetitive strain that results from manual weeding on organic farms. "But very few [eligible] field workers claim disability," says Martha Guzmán Aceves, a legislative advocate for the California Rural Legal Assistance Foundation, a farmworker advocacy group. "They fear being fired or are simply not aware of their rights."

Don Villarejo, founder of the California Institute for Rural Studies, a nonprofit research organization, says that many organic farmers have struggled to balance competitiveness with fair labor practices. "The organic industry does not want to talk about it, but it exploits workers."

Jim Cochran, cofounder and president of Swanton Berry Farm and the force behind the ESOP, has set about to change all that. Since it was founded in 1983, the farm has earned a reputation as an agricultural innovator, becoming the first certified organic strawberry farm in California in 1987 and mastering a host of now widely used techniques, from cover crops to organic fertilizer.

But Cochran, grandson of a labor leader and former organizer of tenant farmers, has done more than enrich the soil and cultivate plants. In 1998, after the United Farm Workers embarked on a bitterly fought campaign to organize strawberry workers at large conventional farms, he negotiated the nation's first union contract at an organic farm.

As a result, farmworkers at Swanton Berry Farm earn nearly twice the average wages of farmworkers in the state, as much as \$24,000 a year—with health insurance, vacation pay, holiday pay, family leave, and a union pension. Swanton can offer those resources largely on the strength of a long-term agreement to sell strawberries to Whole Foods Market.

But Cochran still saw something missing. Farmworkers, he noticed, had no management authority, no incentive to think like an entrepreneur, and no right to inherit, all of which eroded the farm's ability to compete against corporate agriculture. "The family farm," he says, "creates a barrier to fresh ideas."

Cochran began exploring a way to create "entry points for new people." By 2003, he settled on the ESOP model. To make it happen, he seeded the trust with two thousand shares of company stock and thirty thousand dollars of his own money. He paid another thirty thousand dollars in initial legal and administrative costs, and committed to a twenty thousand dollar yearly fee to administer the plan.

In exchange, Cochran now has forty employee shareholders, twenty-seven of them fieldworkers like Tortoledo who contribute a full array of skills—from working farmers' markets to visiting grocery managers. Although the ESOP doesn't require it, the new part-owners now also formally help manage the farm, meeting regularly to decide how to grow and market crops.

Each year that the farm profits, a worker's ESOP accumulates additional shares, whose worth is determined annually by an outside appraiser. When employees retire or leave the company, they can withdraw the value of their shares—a portion of it within six years, all of it after seven years. Based on 2005 figures, the contribution to Tortoledo's new ESOP represented more than two thousand dollars.

Tortoledo harbors no illusions that the ESOP can address the economic forces that uprooted him, or prevent further displacement. But for now it has provided some stability, and a silver lining. "In no other company do they give us this opportunity," he says with an unassuming smile. "As part-owners, we hope it will bring us a big benefit."

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Thomas Ulrich is a freelance writer based in San Jose, California. His work has appeared in *Time* magazine and the *Christian Science Monitor*. He teaches journalism at San Jose State University.

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