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# Knowing the Supply Chain: Creating a Tool to Better Track Slave, Bonded, and Forced Labor and other Exploitative Practices in East Tennessee Agribusiness

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# KNOWING THE SUPPLY CHAIN

Creating a Tool to Better Track Slave,  
Bonded, and Forced Labor and other  
Exploitative Practices in East Tennessee  
Agribusiness

## Abstract

The purpose of this study is to further the discussion of slave, bonded, and forced labor in the supply chain of agribusinesses. This study will discuss the status quo of forced labor in the world, United States, and State of Tennessee; analyze the Know the Chain methodology as an effective human trafficking prevention strategy; present case studies on two East Tennessee Agribusinesses; and suggest additions to the methodology and how companies should utilize it as a benchmarking and prevention tool.

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## **Knowing the Supply Chain:**

### **Creating a Tool to Better Track Slave, Bonded, and Forced Labor and other Exploitative Practices in East Tennessee Agribusiness**

#### **Introduction**

In recent years, human trafficking has become an imperative topic of discussion in the field of supply chain management. Over the past decade, human trafficking has gained political attention, but most advocacy, funding and law enforcement has been focused on the sex trafficking industry (Hanes, 2015). However, labor trafficking is more pervasive in the United States than many realize, especially in the agriculture industry. Although many view labor trafficking as a more global issue that does not occur domestically, labor trafficking is an issue that affects the United States, and even Tennessee. Overall, there is a need for advocacy, funding, and law enforcement that focuses on developing tools that companies in the agriculture industry can use to trace their labor and the source of the labor their suppliers use in order to ultimately end labor trafficking in this industry.

One advocacy group, called “Know the Chain,” has developed such a tool for the information technology industry, and is currently developing one for the food and beverage industry (KTC, 2016). However, Know the Chain has not developed a tool that has been tailored to the agriculture industry in East Tennessee. In order to address the need of a concise yet meaningful survey that can be used to rate how well a company in the agriculture industry in the East Tennessee area sources its labor, I will use the methodology framework from the Know the Chain benchmarking tool for the food and beverage industry, use research on the status quo of labor trafficking in the agriculture industry, and use input from two companies in this industry to

develop a rating system that will help companies in this industry in East Tennessee determine whether they need to look deeper into how and where they and their suppliers source their labor.

### **Status Quo of Forced Labor in the Global Agriculture Industry**

Forced Labor is a transnational crime that affects the global economy. According to the International Labor Organization, nearly 21 million people globally are victims of forced labor. Of these 21 million people, 11.4 million are women and girls and 9.5 million are men and boys. Domestic work, agriculture, construction, manufacturing and entertainment are the most concerned sectors for labor trafficking. Overall, the forced labor market generates US\$150 billion in illegal profits every year. The most at risk groups for becoming entrapped in forced labor are migrant workers and indigenous peoples (ILO, 2016).

Forced labor is an issue in the international agriculture industry. Farm workers are at risk of exploitative behavior; however, not all exploitative behavior is human trafficking. According to the Trafficking Resource Center, a human trafficking situation occurs when the employer uses force, fraud, or coercion in order to control workers and to cause workers to believe that they have no choice but to continue working for their employer (TRC, 2016). This level of exploitative behavior leads to abuse of the labor force. On the global stage, the main countries that face challenges regarding slavery in their agriculture industry have three similarities. First, these countries' economies are reliant on their agriculture industry as a major output. Second, there is a high level of economic inequality in these countries. Third, there are many cultural norms that encourage slavery and trafficking relationships.

Forced labor conditions are prevalent in countries that produce seasonal commodity crops, such as cacao, coffee, and sugarcane. According to Danwatch, impoverished men in Brazil are often recruited by "gatos," who transport them thousands of miles to a remote plantation,

then force the men to work to repay the debt for their transportation. Forced labor is a serious issue in the coffee supply chain in Brazil. According to a Danwatch study, nearly half of all pickers in the coffee industry agree to work without signing a contract that is required by Brazilian law, therefore they forfeit their rights to social benefits such as vacation pay and sick days, and their employers do not pay into Brazil's unemployment insurance program. Farmers bribe workers to do this by offering higher pay, which still falls below a living wage. Overall, this is an issue on several coffee plantations in the Minas Gerais state in Brazil (Danwatch, 2016).

Several factors such as cost, topography, and demography attribute to the use of forced labor in the coffee industry in Brazil. Cost factors are a driver of forced labor in this industry. According to the Danwatch study, only 2% of profits on coffee goes to the plantation, while the majority of profits go to middle-man sellers (Danwatch, 2016). This causes a high demand for cheap harvesting labor. Also, according to the Catholic Relief Service (CRS), mid-sized coffee plantations are most likely to utilize forced labor (CRS, 2016). Small plantations are most dependent on family labor, while large plantations are able to mechanize the picking process. Mid-size plantations are in need of labor at a cheap rate, which drives their demand for forced labor to drive down costs (CRS, 2016). According to the CRS, there are topographical factors that drive demand for forced labor as well. Coffee plantations in mountainous areas are more likely to use forced labor because it is difficult or impossible to mechanize coffee harvesting in these areas (CRS, 2016). Finally, demographics play a strong role in the risk of becoming a slave laborer. According to the CRS, a large number of the people in slave labor in the coffee industry were men of Afro-Brazilian decent and were working in a different region than where they were

born (CRS, 2016). Overall, cost factors, topographical factors, and demographic factors play into the use of forced labor in Brazil's coffee market.

Countries that face challenges regarding labor trafficking typically have a high level of economic inequality, as well. In Brazil, where the use of slave labor is firmly engrained in the agricultural industry, more than half of the wealth and almost all of the land is held by only 10% of the population (Campbell, 2010). Victims of forced labor in agriculture are often poorly represented in court, and the court system will typically favor wealthy plantation owners who have political power and whose exports help drive Brazil's economy. Several Brazilian leaders have been found using slave labor on their estates, including a secretary of agriculture (Campbell, 2010). Overall, Brazil's severe economic inequality and corruption are a cause of its use of slave labor in the agriculture industry.

Labor trafficking also occurs in many countries that perpetuate cultural norms that marginalize certain societal groups. For example, in South Asia, where the largest number of people are in slavery, landlords of agrarian communities will use debt bondage to enslave people, similar to the situation in Brazil's agricultural industry. In this region, the Hindu caste system is a prevalent social construct, especially in India, Nepal, and the surrounding countries. In this system, a caste of "Dalits" or untouchables, are unable to own land and often take on the most undesirable forms of work, which includes agriculture. Because they cannot own land, they are typically reliant upon a higher level land owner for work and a place to live, and are exploited for their labor (Campbell, 2010). Overall, by marginalizing this group of people, they are at a high risk of being exploited by higher castes for their labor.

Although forced labor in the international agriculture industry is still a prevalent issue, several countries are enacting programs to help end this practice. For example, Brazil enacted a

mobile investigation team that inspects plantations to ensure that laborers are not working in slave-like conditions and created harsher penalties for land owners who are found using such labor. Between 2003 and 2005, the squads freed nearly 7,000 slaves (Campbell, 2010). Kevin Bales, president of Free the Slaves, praised Brazil for its efforts in this area, and said that other countries should utilize this model to help uncover and end forced labor where it has not yet been addressed (Campbell, 2010). Although actions have been taken by several countries to end forced labor, more effort is required to increase economic equality and break down cultural norms that put people at risk of being exploited.

### **Status Quo of Forced Labor in Agricultural Industry in the United States**

In the United States, the characteristics of people who are at risk of being exploited are similar to those in other countries. According to the 2016 Trafficking in Persons report, the top three countries from where human trafficking victims in the US originate were the United States, Mexico, and the Philippines. The people who are most at risk of becoming trafficking victims include children in the child welfare and juvenile justice systems; runaway and homeless youth; American Indians and Alaska Natives; migrant laborers, including participants in visa programs for temporary workers; foreign national domestic workers in diplomatic households; persons with limited English proficiency; persons with disabilities; and LGBTI individuals (USDS, 2016). These people are included in the population of people who are in forced labor situations in the United States agriculture industry.

There are several factors that drive the demand for forced labor in the United States agriculture industry. One driver is the increase in imported food products, such as tomatoes and cucumbers. According to an Oxfam report, a sevenfold increase in cucumber imports in the 1990's and the importation of tomatoes from Mexico have increased direct competition with

those that are grown domestically (Oxfam, 2004). The low prices of these imports are placing pressure on the American farms to drive down costs, of which labor is a large portion, in order to remain competitive in the market. Finally, large scale retailers such as Wal-Mart are able to leverage their market power to drive down their purchase price of these products, while increasing the selling price. Overall, this increases the profit margin for large retailers, while adding yet another pressure to farmers to lower their costs of production. Because of this, many farms are forced to turn to farm-labor contractors, who notoriously disregard labor laws, to recruit temporary laborers (Oxfam, 2004).

Another driver is the lack of mechanization for the harvesting of certain crops. These include, but are not limited to, crops such as tomatoes, cucumbers, oranges, and grapefruits (Oxfam, 2004). Overall, the need for a large, cheap labor force to harvest these seasonal crops in the United States pushes farms to utilize undocumented immigrants, who accept illegally low or no wages, poor living conditions, and unsafe working conditions, which can be identified as slave labor conditions.

In the United States, about 3% of agricultural labor is fulfilled through H2-A seasonal guest workers. These workers face exploitative conditions in the agricultural industry throughout the United States. According to the Youth & Young Adult Network of the National Farm Worker Ministry, workers under this guideline are not allowed to change jobs, therefore, they are more likely to experience exploitative or slave-like working conditions because they fear reporting injustice and losing their positions (YAYA, 2011). Furthermore, these workers may already be involved in a debt bondage situation before arriving in the United States, paying or owing debt for exorbitant fees to third-party recruiters from their native country, where these recruitment programs are not regulated (YAYA, 2011). Overall, documented and undocumented farm

workers face a high risk of becoming victims of exploitative behavior or slave-like conditions in the United States agriculture industry.

One agricultural product that has been at the forefront of discussion in the United States is tomatoes from Florida. In his book *Tomatoland: How Modern Industrial Agriculture Destroyed Our Most Alluring Fruit*, Barry Estabrook describes these farmworkers as "the most abused workforce in the country," (Estabrook, 2011). The Coalition of Immokalee Workers describes several cases of slavery in the tomato farming industry in Florida, as well. In one case, the employers were charged with beating workers who were "unwilling to work or who attempted to leave their employ picking tomatoes, holding their workers in debt, and chaining and locking workers inside u-haul-style trucks as punishment," (CIW, 2012). U.S. Attorney Doug Molloy called the treatment of employees in this case, "slavery, plain and simple," (CIW, 2012). Overall, the CIW has reported nine cases involving over 1,000 people enslaved. The discovery of these slavery practices in the supply chain of tomatoes has caused people to protest companies such as Trader Joes and demand that companies purchasing tomatoes increase the price they pay by one cent, which would double the income of farm workers at the end of the chain (Barclay, 2011).

State governments are taking steps to reduce the use of slavery in the supply chain. According to the USDA, the two top producers of agricultural products in the United States are California and Texas (USDA, 2016). Both states are making strides in creating laws and studies that help prevent slavery and forced labor in the supply chain. For example, the state of California enacted the California Transparency in Supply Chains Act of 2010, which requires companies that do commerce in California to disclose their efforts to eradicate slavery and human trafficking in their supply chains (CDS, 2010). In Texas, a team at the University of

Texas at Austin is working to build a statewide human trafficking map, which will map the human trafficking in the state, which could cover those who are trafficked for labor in the agriculture industry (UTA, 2016). Overall, the efforts of these agriculture states to eradicate slave labor and human trafficking are noteworthy and will assist those in forced labor, slavery, and exploitative conditions in the agriculture industry.

### **Status Quo of Forced Labor in Agriculture Industry in Tennessee**

As one of the top tobacco producing states in the nation, Tennessee struggles with ensuring that illegal migrant children are not in exploitative or slave-labor situations on tobacco farms throughout the state. Overall, tobacco farms in Tennessee are facing similar issues as other farms across the nation. As the United States deregulates the pricing of tobacco products, companies that use these products gain leverage for a lower price (Wadhvani, 2014). Furthermore, the importing of tobacco from overseas competes with local production. These factors drove out small tobacco farms in Tennessee, and the remaining farms became large agribusiness enterprises, thus increasing the demand for laborers at a low cost for this intensive crop. The most effective place from which to cut costs is in labor, as this is still the largest expense in the tobacco industry according to University of Tennessee tobacco specialist Paul Denton (Wadhvani, 2014).

A shortage of a workforce for this labor intensive crop has led large tobacco farms to hire illegal workers, many of whom are children or teens. Several human rights groups are concerned about the exploitation of these children and the dangerous conditions in which they work. An investigation in the Southern tobacco industry performed by the Human Rights Watch Group, which included the state of Tennessee, uncovered that migrant children and their families work in extremely dangerous conditions (HRW, 2014). These conditions included exposure to harsh

pesticides that made them ill and long work days with dangerous tools. Overall, exploitative and slave like conditions are present on Tennessee tobacco farms, and migrant children and their parents, undocumented or not, are at risk of being exploited or enslaved in the tobacco industry in Tennessee.

Regarding legislation to protect these migrant children, many legislators are against raising the minimum agriculture working age in Tennessee from 12 years of age, even though the Council for Burley Tobacco stated that they "do not condone anyone under the age of 16 for work in tobacco anywhere in the world," (Wadhvani, 2014). Politicians state that raising the minimum working age would take job opportunities away from Tennessee's youth (Wadhvani, 2014). However, the ILO urges industries with dangerous work to raise the minimum employment age to 18 years of age (HRW, 2014), an action that the countries of Brazil and India have already taken (Wadhvani, 2014). The pushback from politicians in Tennessee to raise the minimum employment age to 18 may be reinforced by tobacco PAC's who donate to their campaigns (Wadhvani, 2014). Overall, this is an ongoing issue in the state of Tennessee, and more legislation is needed to protect children from being exploited or enslaved in the state's tobacco industry.

### **Comparing "Know the Chain" Methodology against the US Department of State's**

#### **Effective Strategies for Human Trafficking Prevention**

In the United States' Office to Monitor and Combat Trafficking in Persons "Trafficking in Person's Report 2016," the Office suggests five effective strategies for the prevention of Human Trafficking as an overall practice (USDS, 2016). According to the US Department of State, the five elements of an effective prevention strategy are: enhancing understanding through research; raising awareness to prevent recruitment and reduce demand; implementing policies

and programs that decrease risks and empower vulnerable groups; capitalizing on the knowledge of experts across the globe by increasing collaboration between and within countries; and facilitating partnerships between governments, civil society, and other anti-trafficking actors (USDS, 2016). These guidelines can be utilized in nearly every field, but are also especially useful within the field of supply chain management because if all companies work together to create a higher standard regarding the sources of their labor, as these guidelines suggest, then labor trafficking within the agricultural industry could be minimized.

In the field of supply chain management, the Know the Chain methodology has been used to rank large companies in several industries on their ability to prevent labor in their supply chains. Recently, Know the Chain has created a framework specific to the Food and Beverage industry, which involves suppliers who are participants in the agriculture industry. This framework will be utilized as guide to develop the final methodology and ranking system for the agricultural industry in East Tennessee. All methodologies created to prevent human trafficking, such as Know the Chain, should be compared with effective strategies for the prevention of human trafficking in order to determine whether these methodologies utilize each of these elements to create a useful strategy.

The first element of an effective human trafficking strategy is to enhance understanding of human trafficking through research (USDS, 2016). As a tool to prevent human trafficking within the supply chain, the Know the Chain methodology meets this criterion. When a company agrees to rank themselves utilizing this methodology, the company is inherently gaining more knowledge about its own suppliers and the challenges they face regarding human trafficking and provides priceless information for the academic research community. Overall, this methodology

encourages a deeper understanding through research by encouraging education programs, risk assessments, worker engagement, and public audit disclosure.

The Know the Chain methodology helps enhance understanding of human trafficking through research by encouraging education programs for a company's supply chain decision makers and suppliers. In indicator 1.4. "Training", this methodology asks that a company has training programs that teach company decision-makers and suppliers to that company about the risks, policies and standards related to human trafficking (KTC, 2016). The development of such training programs requires a great deal of in-depth research on the part of the company or a third-party training program. If a company chooses to develop their own training program, the leaders of these groups and committees must research the risks of human trafficking associated with their industry and what practices they can undertake to mitigate these risks. They must also research all legislation regarding human trafficking that they must follow in the areas in which they trade. Finally, they must research the tools available to them (such as the Trafficking in Persons Report) to aid in the prevention of human trafficking in their supply chain and the best practices of other companies in their industry. Overall, researching these topics and creating an education program in-house helps a company tailor their education program to their industry. However, if a company chooses to utilize a third-party training program, they gain access to many knowledge workers who understand the risks of human trafficking throughout multiple industries and may have more useful education tools that have been used with multiple companies. Overall, both options for decision-maker and supplier education regarding human trafficking assist in growing the amount of research and industry knowledge available to help enhance business' understanding of human trafficking.

The Know the Chain methodology also helps enhance understanding of human trafficking through research by encouraging the performance and disclosure of labor risk assessments. Under indicator 2.2 “Risk Assessment” this methodology encourages companies to perform forced labor risk assessments and to publicly disclose the risks they have identified (KTC, 2016). By performing their own risk assessments, companies are able to research the risks associated to specific commodities, regions, and groups that are involved with their supply chain. This research helps companies gain a better understanding of the risks associated with their specific supply chain and how to identify these risks during their assessments. Furthermore, this methodology encourages companies to share with the public the risks they have identified in their supply chain, thus providing primary data for academic researchers, consumers, governments, and other outside parties (KTC, 2016). The disclosure of this information may assist other members of their industry in understanding what forced labor risks exist in their own supply chains. It will also help daily consumers understand the forced labor risks associated with the products they purchase from these companies. Finally, disclosing this information will assist other entities, such as the companies’ own country’s government or other governments in the countries in which they source or trade goods, to understand what human trafficking or forced labor risks exist in their country. This practice could be especially helpful for countries that serve as a supplier of a commodity to many buyers (such as coffee in Brazil). Overall, by encouraging companies to perform risk assessments on their supply chains and publicly share their findings, this methodology assists in enhancing understanding of human trafficking through research.

The Know the Chain methodology helps enhance understanding of human trafficking through research by encouraging worker engagement. Under indicator 5.2 “Worker Voice,” this methodology encourages companies to engage with workers outside of the context of their work

environment (KTC, 2016). This encourages companies to learn more about the quality of life of their workers throughout their supply chain. Although companies may follow paygrade regulations in the countries from which they source, these paygrades may not be that of a true living wage. Understanding the conditions in which their workers live outside of the working environment will help companies identify whether their workers are at risk to be trafficked by other entities with the promise of a better wage, or whether their company is harming their workers by overworking them for too low of a wage. Overall, gaining a better understanding of the lives of their workers will help companies improve their quality of life and will help deter them from becoming trafficking victims.

The second guideline the Department suggests for an effective human trafficking prevention strategy is to raise awareness within the community (USDS, 2016). The Department states that raising awareness has to date, “been the primary prevention measure used by governments and other stakeholders,” (USDS, 2016). One such stakeholder is the Know the Chain group, and the group utilizes their benchmark methodology as a tool to raise awareness of labor trafficking in the supply chain for the companies they audit and the people who may be victimized within their supply chains. The Know the Chain methodology meets this guideline because it encourages human trafficking awareness in the business community and the public community these businesses serve.

The Know the Chain methodology helps raise awareness of human trafficking within the business community by auditing the supply chain standards of the companies they benchmark. For example, this methodology includes a “Supply Chain Standards” indicator, which audits a company on whether their standards require their suppliers to uphold worker’s basic rights and eliminate forced labor (KTC, 2016). By auditing companies on this standard, the companies

themselves are not only encouraged to improve their knowledge of fundamental workers' rights; they are also encouraged to inform and educate multiple levels of suppliers to learn workers' fundamental rights and freedoms as stated in the ILO Declaration on Fundamental Principles and Rights at Work (KTC, 2016). Furthermore, this indicator in the methodology encourages continuous learning by auditing whether the company's supply chain standards are updated and reviewed on a regular basis. This encourages supply chain managers to continually learn about human trafficking issues within the supply chain, thus continuously increasing awareness of this issue throughout the business community. Overall, by auditing companies on this indicator, the Know the Chain methodology is assisting in spreading awareness of human trafficking and workers' rights throughout the business community,

The Know the Chain methodology also helps raise awareness of human trafficking throughout the business community by auditing the training capabilities of the companies they benchmark. For example, under indicator 1.4 "Training", companies are audited on whether they have developed training programs to train decision-makers and their suppliers on human trafficking issues in the supply chain and to ensure that the companies' standards are upheld (KTC, 2016). By auditing companies on this indicator, companies are encouraged to ensure that their decision-makers are aware of the issues they will face while managing the supply chain. The inclusion of supplier training assists in spreading awareness throughout the business community, as well.

The third guideline of an effective prevention strategy suggested by the US Department of state is to implement policies and programs that decrease risks and empower vulnerable groups (USDS, 2016). The Know the Chain methodology meets this guideline because it audits companies on their approaches to recruitment and employee empowerment. This methodology

audits companies on their recruitment practices. In section 4.0, the methodology asks whether the company recognizes the risks of the exploitation of migrant workers by recruitment agencies and what policies they have to address these risks (KTC, 2016). By auditing companies' approaches to recruitment and rewarding companies who have policies that require that no recruitment fees are charged to workers, the Know the Chain methodology assists in decreasing the risks of exploitation in the supply chain.

This methodology also assists in empowering vulnerable groups. Section 5.0, "Worker Voice", audits companies on their abilities to communicate their trafficking and labor policies to their employees, the voice their employees are given, whether they allow their employees to organize, and the grievance mechanisms they have in place (KTC, 2016). By encouraging companies to utilize these policies to ensure that workers have a thorough understanding of their rights and are allowed to report when those rights have been violated, the Know the Chain methodology assists in empowering groups who are vulnerable to exploitative or forced labor situations.

The fourth guideline the US Department of State suggests is to capitalize on the knowledge of experts across the globe by increasing collaboration within and between countries (USDS, 2016). This methodology fulfills this guideline by auditing companies on their stakeholder engagement. Under indicator 1.5, "Stakeholder Engagement," the methodology questions whether a company has involved itself with trade unions, local NGOs, or policy makers in countries from which their employees originate (KTC, 2016). It also asks whether the company participates in initiatives that focus on forced labor and human trafficking. Companies that are involved with international policy makers are able to capitalize on the knowledge of experts in the countries from which their employees originate and are able to increase

collaboration in the local and international community. Although the Know the Chain methodology meets this guideline, more could be done to increase collaboration between multiple parties to address human trafficking in the supply chain.

The final guideline the US Department of State suggests is to facilitate partnerships between governments, civil society, and other anti-trafficking actors (KTC, 2016). This guideline is also met by the stakeholder engagement indicator in this methodology. By encouraging that companies become and remain involved with NGOs, policymakers, and stakeholders in the local and international community, they are able to forge partnerships that will help prevent human trafficking in the supply chain. Although this methodology meets this guideline, more can be done to encourage more collaboration between multiple parties.

Overall, by comparing the Know the Chain methodology to the US Department of State's suggested guidelines for an effective human trafficking prevention strategy, it has been determined that this methodology is an effective strategy. However, more can be done to ensure that smaller businesses in East Tennessee can use this effectively and to ensure that the power of collaboration is emphasized when auditing a company.

### **Case Studies: Cruze Dairy Farms and Bush Brothers**

In order to understand both ends of the supply chain, a case study was performed on two East Tennessee agribusinesses. Cruze Farm, a small dairy farm in Knoxville, Tennessee, and Bush Brothers, a mid-sized canned foods company headquartered in Knoxville, Tennessee were asked about the challenges they face regarding human trafficking and forced labor in the supply chain, and performed a review of the Know the Chain methodology to discuss its advantages, limitations, and actions that can be taken to tailor it to agribusinesses in East Tennessee.

Cruze Farm is a small dairy farm in Knoxville, Tennessee that produces milk and ice cream sold at many markets and whole foods stores in the Knoxville, Chattanooga, and Nashville area. A discussion was held with Manjit Bhatti, an owner of the farm. Questions were asked regarding how they source and audit their labor, and how the Know the Chain methodology could be tailored to fit East Tennessee agribusiness.

Regarding their sourcing of labor, the farm only has about five employees at any given time, two of whom are Manjit and his wife Colleen Cruze Bhatti. They know their labor force, and this ensures that there is absolutely no exploitation of employees on this farm. Furthermore, the dairy industry is at a lower risk of exploiting workers because it is not a seasonal product, therefore their workforce is constant. However, Bhatti emphasizes that ethics in the dairy industry have a stronger focus on the treatment of the cows they purchase, rather than the labor employed on dairy farms.

For small companies like Cruze Farm, taking on an audit like the Know the Chain methodology would be exorbitantly expensive. Bhatti estimated that an audit like this would require a great deal of money and several knowledge workers. Furthermore, it would be difficult for a single small farm to demand a higher standard of their own suppliers. However, a grouping of small companies may prevail in encouraging their suppliers to hold themselves to higher standards regarding the sourcing of their labor (Bhatti, 2016). Based on Bhatti's description of the issues small dairy farms face, collaboration between many farms with a common supplier seems to be the best strategy for holding their suppliers to a higher standard regarding the source of their labor.

Bush Brothers and Company is a mid-sized canned foods company, focusing mainly on canned beans. Within their supply chain, they source their beans mostly from farms in the United

States, specifically from states such as Michigan, the Dakotas, and Wisconsin; and some beans are sourced in Canada. According to Sara Rose, VP and Director of Government and Industry Affairs for Bush Brothers and Company, the supply chain of their beans is at a low risk of any exploitation or slave labor because beans are mechanically planted and harvested (Rose, 2016). Because of this, bean farms are able to plant and harvest large scale crops with minimum labor.

For mid-size companies like Bush Brothers, taking on an audit like the Know the Chain methodology would be possible. In fact, Bush Brothers utilizes several practices that are encouraged in the Know the Chain methodology. These include the assignment of an officer who is responsible for education and implementation of supply chain standards, public acknowledgement of the risk of human trafficking in the supply chain, the training of decision makers on the risks of human trafficking and other exploitative behavior in their industry, the demand of certification of their suppliers, and the cross-referencing of factors of their supply chain to resources from the Department of Labor and Department to End Human Trafficking. Overall, the company goes to great lengths to ensure that they understand the risk factors of human trafficking in agribusiness and to mitigate these risks in their supply chain.

Bush Brothers has several officers who are responsible for the implementation of their supply chain policies, including Sara Rose. Bush Brothers also publicly acknowledges the risk of human trafficking in the supply chain and the efforts they take to mitigate those risks. In a compliance statement on their website, the company acknowledges their compliance with the California Transparency in Supply Chain Act of 2010, stating:

This statute requires retail sellers and manufacturers doing business in the state of California to disclose their efforts to eradicate slavery and human trafficking from their direct supply chains for tangible goods offered for sale.

At Bush Brothers & Company, we believe that our sourcing practices, like all other business practices at the company, must adhere to the values of integrity, responsibility, trust, and caring, as exemplified by our founder, A.J. Bush. The protection of the rights of those involved in our supply chain is one element of responsible sourcing. (Bush Brothers, 2016).

The company also publicly shares their policies regarding their own operations, stating:

We comply with the laws in every nation where we operate and recognize and respect the cultures, customs, and practices of our consumers and customers.

We conduct internal reviews of our supply chain to evaluate and address risks to human rights.

We provide training on human rights to company employees involved in supply chain management, including training on mitigating related risks in the supply chain.

Employees are accountable for upholding our values. (Bush Brothers, 2016)

Finally, the company addresses their expectations for their direct suppliers, stating:

We want to work with suppliers and contractors whose values and standards align with ours.

We ask our direct suppliers to certify that they comply with laws addressing human rights in the countries where they do business. We rely on their certification, but do not audit their operations regarding these practices. When we become aware of non-compliance, we notify our suppliers and contractors, and ask them to develop and implement corrective action.

As with all of our efforts, we continually seek ways to improve our entire supply chain performance. (Bush Brothers, 2016)

Overall, this company acknowledges the risks of human trafficking the supply chain and thoroughly explains the efforts they take to mitigate this risk and the expectations to which they hold their suppliers, which fulfills the “Commitment and Governance” indicator in the Know the Chain methodology.

Bush Brothers also educates supply chain decision makers on risks, standards and policies related to human trafficking and forced labor, fulfilling the “Training” indicator in this methodology. According to Sara Rose, the company utilizes a third-party trainer from the University of Tennessee, Knoxville extension office, who teaches decision makers on what human trafficking is, the definitions of different types of forced labor, the indicators of people at risk of being trafficked, and other related topics. In these training sessions, the groups also perform a risk assessment exercise, in which they source all their products and research risks associated with those products. Overall, the company works to ensure that relevant decision makers have a deep understanding of human trafficking and the risks involved with it as it relates to their industry (Rose, 2016).

Bush Brothers also demands a higher standard from their suppliers, as mentioned in their compliance statement on their website (Bush Brothers, 2016). The company also meets with their suppliers to ensure that they are upholding the standards the company has set regarding the sourcing of their products and ask their suppliers to take corrective action when they are found to not be in compliance with these standards. Overall, these policies meet the “Supply Chain Standards” indicator in the Know the Chain methodology.

Finally, Bush Brothers cross-references their supply chain with resources available from the Department of Labor and the Department to end human trafficking (Rose, 2016). For example, the company cross-references countries where they or their suppliers may be sourcing

ingredients for their products to the US Department of States' Tier Placement System, which ranks countries of the world based on their governments' ability to meet minimum standards set by the Trafficking Victims Protection Act. The countries from which the company's beans are sourced, the United States and Canada, are both ranked as Tier 1 countries, which means that their governments fully meet the Trafficking Victim's Protection Act minimum standards. Tier placements of these countries can be viewed in the attached appendix.

The company also cross-references items that they may source to the Department of Labor's List of Goods Produced by Child Labor or Forced Labor (Rose, 2016). The majority of these mentioned goods are not sourced directly by the company, but they use this cross-reference to understand the risk of forced labor within their supply chain and that of their suppliers. Overall, this tool is helpful in understanding the risks they face, even though it is most likely that there is no forced or child labor in their supply chain or their suppliers' chains. This document can be viewed in the attached appendix.

### **Limitations of this Methodology for East TN Agriculture Companies**

Although the Know the Chain methodology is a useful and effective tool for larger and mid-sized companies, there are a few limiting factors for small companies in East Tennessee. These are the political climate, the requirement of many knowledge workers and large funds to complete the audit, and the lack of reward for the collaborative efforts of companies.

The state's current political climate is not conducive to an audit such as the Know the Chain methodology. As mentioned in the status quo of forced labor in Tennessee, legislators are pushing against legislation to increase the minimum age to work in agriculture, and the state rarely performs audits on farms to understand the source of their labor, which places children and illegal immigrants at risk of being trafficked and exploited to meet the demands of the tobacco

industry and other non-mechanized, labor intensive crops. Overall, this political climate may not be conducive to any type of labor audit, although it is needed because of the state's lacking labor policies in the agriculture sector.

The completion of an audit with the Know the Chain methodology is expensive for small companies to implement, as mentioned in the case study of Cruze Farm. The hiring of a knowledge worker, such as a specific supply chain manager, would be costly for their enterprise. Overall, to assist smaller companies such as this, collaboration across the chain with other companies who have the same suppliers and collaboration up the chain with the larger companies to whom they supply would help smaller companies create leverage to demand a higher standard regarding the sourcing of labor for their downstream suppliers.

The final limitation of this methodology is the lack of measurement for collaboration with multiple parties who could help implement strategies to mitigate labor trafficking risk. Companies should be audited for their collaborative efforts to prevent human trafficking and forced labor in the supply chain, especially companies in East Tennessee area.

### **Suggestions for Alterations for Know the Chain Methodology**

In order to address the need for the measurement of collaboration between an agribusiness company and relevant parties, a "Collaboration" section should be added to this methodology. This section would include five indicators, emphasizing collaboration between the company and five different parties. These indicators are:

#### **Indicator Name:** 8.1 Collaboration with Community

Description: The company publicly demonstrates a close partnership with one or more local groups that focuses on educating the public on the risks of human trafficking as it relates to Tennessee agriculture.

Elements: In the last year, the company has:

- 1) Attended a board meeting of a local human trafficking awareness group.
- 2) Publicly participated in a public education event on the risks of human trafficking.

The addition of this indicator will help benchmark companies based on their involvement in their local community. This is an area for smaller local companies to excel if an audit were to occur using this methodology. This addition will encourage companies to become involved with their local community to help educate the public on who is at risk of becoming a victim of human trafficking and forced labor. Public education on these factors can also help break down cultural norms within the community that may cause marginalized groups of people, such as immigrants, to become vulnerable to trafficking or forced labor situations. For the state of Tennessee, this type of public education would help tobacco farming communities understand the hallmarks of a forced labor situation and what they can do as a community to mitigate the risk of forced labor on their farms.

**Indicator Name:** 8.2 Collaboration with Academia

Description: The company has a research or training relationship with an accredited university.

Elements:

- 1) Relevant decision makers have been educated on the results of research on human trafficking and forced labor as it relates to their business from accredited universities.

Within the last year, the company has:

- 2) Shared with researchers in the fields of agribusiness or supply chain management new data about their supply chain, including status of suppliers, innovative best practices implemented in their supply chain, and other relevant information.

- 3) Participated in an education seminar related to human trafficking hosted by an accredited university.

The addition of this indicator emphasizes a mutual learning relationship between businesses and research universities. This shows that the sharing of information from both parties will assist in the mutual advancement of the understanding of human trafficking and forced labor as it relates to agribusiness for companies and for researchers. The facilitation of such partnerships will help prevent human trafficking and forced labor in the supply chain and will assist in the development and sharing of innovative best practices. In the Bush Brothers and Cruze Farms case studies, both companies were willing to share their supply chain practices with the university and were already involved in relationships with the University of Tennessee, serving as examples of mutually beneficial relationships between agribusinesses and the academic community.

**Indicator Name:** 8.3 Collaboration with Governments

Description: The company works with local, state, and national government entities to create legislation to prevent human trafficking and forced labor.

Elements:

The company has:

- 1) Met with local government leaders to discuss and develop legislation that can prevent human trafficking in the agribusiness supply chain.
- 2) Met with state government leaders to discuss and develop legislation that can prevent human trafficking in the agribusiness supply chain.
- 3) Met with national government leaders to discuss and develop legislation that can prevent human trafficking in the agribusiness supply chain.

The addition of this indicator will benchmark companies on their collaborative efforts with multiple levels of the United States government. By developing relationships with government entities, agribusiness companies are able to share the issues that they face regarding human trafficking and forced labor in their supply chain and assist government entities in developing effective legislation that will address these issues. For example, the Tennessee government is resisting raising the minimum agricultural worker age from 12 years of age to 18 years of age, which places children at risk of being exploited by tobacco farmers. Partnerships between companies that desire to source this tobacco as ethically as possible and state government leaders could assist in the development of legislation that will raise this minimum age and effectively reduce the risk of trafficking and forced labor situations in agribusiness.

**Indicator Name:** 8.4 Collaboration with Businesses

Description: The company collaborates with other businesses in their industry to share best supply chain practices and relevant information on common suppliers.

Elements:

The company:

- 1) Meets with other businesses in their industry on an annual basis to discuss the risks of human trafficking and forced labor in their supply chains.
- 2) Shares best practices to mitigate these risks.
- 3) Discusses the practices of suppliers that are shared by multiple companies in their alliance.

The addition of this indicator will benchmark companies on their efforts to collaborate within their industry to prevent human trafficking and forced labor in their supply chains. The creation of intra-industry alliances will help foster a deeper understanding of the risks companies in their

industry face and what actions can be implemented to mitigate those risks. Overall, the elimination of human trafficking and forced labor in the supply chain should be a common goal for all companies in the agribusiness industry, and the creation of such alliances will assist in furthering that goal.

**Indicator Name:** 8.5 Collaboration with Suppliers

Description: The company has created a mutually beneficial relationship with their downstream suppliers to prevent human trafficking in their supply chains.

Elements:

The company:

- 1) Meets with their suppliers on an annual basis to discuss the risks of human trafficking and forced labor in their supply chains.
- 2) Shares best practices to mitigate these risks.

The addition of this indicator benchmarks companies on their efforts to collaborate with their suppliers to prevent human trafficking in the supply chain. Open information sharing and the desire for mutually beneficial relationships will assist in improving suppliers' practices in order to mitigate the risks of human trafficking. Overall, the elimination of human trafficking should be a common goal for a company and their suppliers, and the creation of an alliance will assist in furthering it.

**Using the Know the Chain Methodology as a Benchmarking Tool**

Companies can utilize the Know the Chain Methodology and its suggested alterations as a benchmarking tool using the following method:

- 1) Covert all "Indicator Elements" mentioned in the methodology to simple questions that can be answered in a yes/no format.

- 2) Review each question. Award one point for a yes answer and zero points for a no answer.
- 3) Add all yes points, and divide by total number of questions asked in the methodology. This will give the company its percentage score.

Although this method provides a quantitative benchmark, there is no method to include qualitative data, nor is there a set means to ask for this data. More research will need to be done to determine what qualitative measures may need to be added to this methodology.

This benchmarking exercise can be calculated by hand from a simple printed Microsoft Word document, however, other business tools such as Microsoft Excel may be more efficient in the completion of this exercise. More research will need to be done to determine which business tool is preferred by companies utilizing this methodology.

### **Closing Thoughts and Next Steps for Agriculture Industry in East TN**

In closing, human trafficking has recently become a pertinent topic of discussion in the field of supply chain management. The purpose of this study was to further the discussion of tracking slave, bonded, and forced labor and other exploitative practices in East Tennessee agribusiness and to analyze and build upon a tool that will assist in doing so. After analyzing the status quo of forced labor and other exploitative practices in the world, the United States, and the state of Tennessee, the common factors that drive the demand of forced labor are the need for a large cheap labor force to harvest labor-intensive, non-mechanized seasonal crops. People most at risk are those who are marginalized by society and do not have proper legal protection.

After identifying the Know the Chain methodology as a tool that could possibly be used to benchmark East Tennessee Agribusinesses, it was determined that the Know the Chain meets the five criteria of an effective human trafficking prevention strategy. However, more could be done

to improve how this methodology benchmarks collaboration between businesses and multiple parties.

The case studies on Cruze Farm and Bush Brothers and Company revealed that smaller and mid-sized companies, each on a different end of the supply chain, face similar and different challenges regarding human trafficking and other exploitation in the labor force of their supply chains. They also already implement several best practices that are benchmarked in the Know the Chain methodology, but small companies face the limitations of the political climate, high costs of implementation, and lack of measurement for collaboration.

Based on these results, it was determined that the Know the Chain methodology should include an eighth section titled “Collaboration,” with the indicators of Collaboration with Community, Collaboration with Academia, Collaboration with Governments, Collaboration with Businesses and Collaboration with Suppliers. With the addition of this section, companies can utilize this tool to benchmark themselves. Overall, more research will need to be performed in order to determine the effectiveness of benchmarking collaboration in the prevention of human trafficking, slave labor, and other exploitative practices.

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## Appendix

### Know the Chain Questions Utilized for Company Interviews

1. Commitment and Governance (Yes or No)

Has your company publicly demonstrated its awareness of and commitment to addressing human trafficking and forced labor?

Does your company require suppliers to uphold the fundamental rights and freedoms of its workers, including the elimination of forced labor as outlined by the ILO Declaration of fundamental workers rights?

Has your company's supply chain standards been reviewed and approved by a senior executive in the last 5 years?

Has your company utilized a supply chain consulting firm to review your suppliers and better understand standards?

Can one easily access a statement of your company's supply chain standards from your company's website?

Are your company's supply chain standards reviewed and updated regularly (at least once biannually)?

Does your company have a designated committee, team, program or officer who is responsible for the implementation of the supply chain policies your company has in place?

Do your training programs include the training of all relevant decision-makers in your company on risks, policies, and standards related to forced labor and human trafficking?

Does your training program include the training and capacity building of suppliers on

risks, policies, and standards related to forced labor and human trafficking?

In the last three years, has your company engaged with trade unions, local NGO's, and/or policy makers in countries in which suppliers use forced labor?

What kind of legislation?

In the last three years, has your company actively participated in one or more multistakeholder or industry initiatives focused on forced labor and human trafficking?

2. Traceability (Yes or No)

Does your company have a process to trace its supply chain?

**How many tiers back can the company trace the supply chain?**

Does your company publicly disclose the names and locations of all first-tier suppliers?

Does your company disclose the name, location, and source country on suppliers beyond the first tier?

Does your company conduct forced labor risk or impact assessments that focus on specific commodities, regions, and/ groups?

Does your company publicly disclose forced labor risks identified in its supply chain?

**Does your company have a protocol for addressing suppliers who have been found using forced labor or human trafficking?**

**Does your company work directly with suppliers to correct possible forced labor situations?**

3. Purchasing Practices

Does your company demonstrate awareness that certain types of purchasing practices can increase the risk of forced labor?

Is your company taking steps to mitigate the risk of forced labor in the agricultural industry?

Does your company assess risks of forced labor at potential suppliers prior to entering into any contracts with them?

Does your company have a procurement selection process that considers the capacity of suppliers to meet fluctuating demands (to reduce risk of undeclared subcontracting)?

Does your company integrate supply chain standards addressing forced labor and human trafficking into supplier contracts?

Does your company require its first-tier suppliers to ensure that their own suppliers implement standards that are in line with the company's supply chain standards addressing forced labor and human trafficking?

Does your company have a protocol for responding to unreported subcontracting found in your supply chain?

4. Recruitment methods (Yes or No)

Does your company demonstrate awareness of the risk of exploitation of migrant workers by recruitment agencies and brokers, and commitment to address such risks?

Does your company have a policy that requires recruitment agencies in its supply chain to uphold workers' rights?

Does your company have a policy that requires direct employment?

Does your company require suppliers to disclose to them the recruiters that they use?

Does your company require that no fees be charged during any recruitment processes conducted throughout the supply chain.

In the event that it discovers that fees have been paid, does your company ensure that these fees are reimbursed?

Does your company audit recruiters to assess risks of forced labor and human trafficking?

5. Worker Voice (Yes or No)

Does your company communicate its human trafficking and forced labor policies and standards to workers in its supply chain?

Does your company make its policies and standards available in the languages of suppliers' workers?

Does your company have initiatives to engage with workers outside of the context of the factories in which they work, either directly or in partnership with stakeholders?

Where there are regulatory constraints on freedom of association, does your company encourage suppliers to ensure workplace environments in which workers are able to pursue alternative forms of organizing?

Does your company have a formal procedure that allows suppliers' workers to report a grievance to an impartial entity?

Does your company demonstrate that the mechanism is made accessible to workers in the supply chain (e.g. its available in workers' language(s))?

Does your company ensure that the existence of the mechanism is proactively communicated to suppliers' workers?

Does your company takes steps to ensure that impacted stakeholders trust the mechanism (e.g. workers who report a grievance can do so without the fear of penalty, dismissal or reprisal of any kind)?

6. Monitoring Process (Yes or No)

Does your company have an audit process that includes scheduled and non-scheduled visits?

Does your company have an audit process that includes a review of relevant documents?

Does your company have an audit process that includes interviews with workers?

Does your company disclose the percentage of suppliers you audited annually?

Does your company disclose the percentage of unannounced audits it performs?

Does your company disclose information on who carried out the audits?

Does your company disclose a summary of findings, including details regarding any violations revealed?

7. Remedies (Yes or No)

In the case of a poor audit, does your company have a corrective action plan that includes potential actions taken in case of noncompliance, such as stop-work notices, warning letters, supplementary training and policy revision?

Does your company have a corrective action plan that includes a means to verify remediation and/or implementation of corrective actions, such as record review, employee interviews, spot checks or other means?

Does your company have a corrective action plan that includes potential consequences if corrective actions are not taken?

Does your company disclose a process for responding to the complaints and/or reported violations of policies and standards?

Does your company provide examples of outcomes of these remedy processes?

## Public Compliance Statement- Bush Brothers and Company

12/8/2016

Compliance | Bush's Beans

Family Owned Since 1908



### COMPLIANCE

The following statutes require disclosure statements be placed on company websites:

#### CALIFORNIA TRANSPARENCY IN SUPPLY CHAINS ACT OF 2010

This statute requires retail sellers and manufacturers doing business in the state of California to disclose their efforts to eradicate slavery and human trafficking from their direct supply chains for tangible goods offered for sale.

At Bush Brothers & Company, we believe that our sourcing practices, like all other business practices at the company, must adhere to the values of integrity, responsibility, trust, and caring, as exemplified by our founder, A.J. Bush. The protection of the rights of those involved in our supply chain is one element of responsible sourcing.

#### OUR OWN OPERATIONS:

We comply with the laws in every nation where we operate and recognize and respect the cultures, customs, and practices of our consumers and customers.

We conduct internal reviews of our supply chain to evaluate and address risks to human rights.

We provide training on human rights to company employees involved in supply chain management, including training on mitigating related risks in the supply chain. Employees are accountable for upholding our values.

#### OUR DIRECT SUPPLIERS:

We want to work with suppliers and contractors whose values and standards align with ours.

We ask our direct suppliers to certify that they comply with laws addressing human rights in the countries where they do business. We rely on their certification, but do not audit their operations regarding these practices. When we become aware of non-compliance, we notify our suppliers and contractors, and ask them to develop and implement corrective action.

As with all of our efforts, we continually seek ways to improve our entire supply chain performance.

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### In attached PDF:

Department of Labor Cross-Reference Form- Bush Brothers and Company

Trafficking in Persons by Country Cross-Reference Form- Bush Brothers and Company