GUEST EDITORIAL:

First Shareholder Resolution to Del Monte

by Jody Parsons

In early June three church groups from California and New York and one individual filed a shareholder resolution with Del Monte Corporation, the world's largest producer of canned fruits and vegetables. The resolution, the first to Del Monte from church shareholders, requests information on labor displacement and cash cropping in Del Monte's domestic and foreign operations. Del Monte's annual meeting will be held September 28 in San Francisco.

Sponsors of the proposal are: the California Province of the Society of the Sacred Heart; Northern California Ecumenical Council, Joint Strategy and Action Commission; John O. Ahern, executive director of the Commission on Social Justice of the Archdiocese of San Francisco; and Religious Sisters of Mercy of the Union, Province of New York. The first two groups and Mr. Ahern are members of the Northern California Interfaith Committee on Corporate Responsibility (NC-ICCR), and the Religious Sisters of Mercy of the Union are affiliated with the Interfaith Center on Corporate Responsibility.

Representatives from NC-ICCR raised questions at the 1975 Del Monte shareholders meeting concerning agricultural operations involving the transfer of the white asparagus industry from California to Mexico and the pineapple industry from Hawaii to the Philippines. There were also questions about Del Monte's sardine operations in Namibia (Southwest Africa) and company policy on political contributions and bribes overseas. NC-ICCR continued discussions with Del Monte management over the past year and focused primarily on issues of cash cropping in the Philippines, Mexico, and Kenya. While the company has provided NC-ICCR representatives with some helpful information, and while Del Monte's labor policies in developing nations may be progressive by contrast with those of local landowners, the company has left many questions unanswered.

For some years now, Del Monte has been quietly closing down its white asparagus operations in California and opening up white asparagus contracting and processing in northern Mexico – an area irrigated at government expense to help small farmers grow wheat and corn. Six thousand U.S. asparagus workers have lost their jobs. Recently, Del Monte also began to shift its pineapple plantations from Hawaii to the Philippines and Kenya. The company has been in the Philippines since the 1920s but is now expanding there because of lower labor costs and favorable government land policy. In part as a result of the shareholder resolution, Del Monte is now reconsidering this move to the Philippines, which would cost 10,000 U.S. workers their jobs.

– Background: The Problem of Cash Cropping.

Much of the arable land in poor nations is devoted to crops for export to rich nations. These "cash" crops include sugar, coffee, pineapples, tea, bananas, cocoa, and other specialities suitable for the tastes of affluent countries. This arrangement keeps the developing nations poor and the industrial nations rich for three reasons: 1) traditionally, the industrial nations have not paid high prices for these commodities; 2) the money they have paid has largely gone to U.S. multinational import firms and the wealthy landowners in developing countries; 3) most important, when a poor country's arable land is used to grow crops for export, it cannot be used to grow grain, beans, or seeds to feed the indigenous population.

Recently the U.N. Conference on Trade and Development and other international bodies have taken actions that may bring greater stability to prices paid for 16 basic commodities exported from developing nations. Various Third World nations have also formed marketing organizations to deal with multinational import firms and to protect national income. These actions meet the first two problems listed above, but very little has been done to change the type of crops grown in developing nations. The argument that such nations must export cash crops in order to earn needed foreign exchange makes little sense if such exchange is then spent on importing food that could be grown locally.

The situation could change. Third World farmer groups are already demanding that less land be devoted to pineapple and asparagus and more of it to the production of corn and millet. Usually their land and climate are rich enough to grow a wide variety of protein crops. Assurance that a nation be able to feed itself before exporting cash crops does not mean a huge decline in present export patterns; Cuba remains a major sugar exporter but, unlike the Dominican Republic, it also takes care of its own food needs quite adequately. U.S. farmers and farmworkers would welcome the opportunity to grow some of the fruits and vegetables for U.S. markets that were formerly grown here but now are imported from Mexico, the Philippines and other Third World countries.

The shareholder resolution to Del Monte and the cooperative efforts of church, community, and research groups around issues of labor displacement and cash cropping are important steps in taking seriously our concern with agribusiness involvement in the world food crisis. Shareholders have a direct stake in Del Monte's responsibility toward workers in the United States and abroad and the development of Third World countries.

Jody Parsons is staff for the Northern California Interfaith Committee on Corporate Responsibility, a project administered by the Joint Strategy and Action Commission.

Editor's Note: After this editorial was written, the shareholder resolution sponsors and Del Monte reached an agreement. Del Monte has prepared a report for shareholders on its land ownership, certain leasing arrangements, and labor practices in Mexico, Kenya, and the Philippines. The church groups agreed to withdraw their proposal but said they will address the issue of cash cropping at the company's annual meeting.