

# RESPONSE TO SWEDWATCH'S "TO THE LAST DROP" REPORT BY AGROKASA

In response to the information provided in Swedwatch's "To the last drop" report, we would like to point out the following:

Some of our agricultural operations take place in Ica, which was declared a water emergency zone by the competent Peruvian authorities. Given this context, since 2009 AGROKASA has been taking actions addressed to maintaining a sustainable production of water resources and focusing their strategies in three fronts: efficient use of the resource, partial replacement of groundwater use, and recovery of the aquifer by infiltration, as well as reduction of the crop area in the zone, always looking for being part of the solution rather than being the problem.

Furthermore, we believe it appropriate to highlight our continuing commitment to innovation, maintenance and implementation of better practices related to labour rights agricultural management, harmlessness, quality management, occupational safety and health, social responsibility, and environmental care. We would also like to provide some clarifications about some parts of the report where we are mentioned:

## 1. About the topics and official response channels

*The report focuses on the responsibility of companies buying fruits and vegetables from the Ica valley. As such, Swedwatch has not conducted research on the exporting companies. However, as the company AGROKASA supplies fresh green asparagus to several of the Swedish companies scrutinised in this report, Swedwatch requested a meeting with the company during the field study in Peru but the request was denied. Swedwatch also contacted AGROKASA and another agro export company, Agrícola Chapi, after the field study to offer them the opportunity to comment on the reported labour rights abuses associated with their companies. (pg 9)*

During the initial contact and given that issues discussed in the report were related to an analysis of problems found in Ica, which involves several actors, we deemed it appropriate to prepare and provide answers to Swedwatch concerns -as labour union- through the Peruvian Association of Agricultural Producers' Labour Unions (AGAP, by its Spanish initials) as main interlocutor.

## 2. About the largest agricultural export companies

*Approximately 100 Peruvian companies export asparagus each year. In Ica there are around 20 larger export companies; some of the largest include Agrícola Chapi, Agrícola la Venta, Complejo Agroindustrial Beta and Agrícola Drokasa (AGROKASA). (pg 17)*

Of the 26,000 hectares (ha) of asparagus planted in Peru, 10,400 ha are found in Ica. AGROKASA has 432 ha of asparagus under cultivation, representing 4.2% of the cultivated area in Ica and 1.7% of the total area of our country. Our asparagus exports represent 4.6% of the total volume exported from Peru.

## 3. About the total cultivated area

*AGROKASA and Agrícola Chapi are two of the largest agro export companies in Ica. AGROKASA was founded in 1996 and is part of a larger Peruvian company group, Corporación Drokasa. AGROKASA specialises in exports of asparagus, table grapes and avocado. In Ica, AGROKASA grows asparagus and avocado at its 1,600-ha plantation Fundo Santa Catalina and has two packing facilities. Agrícola Chapi was founded in 1997 and grows avocado and asparagus at its 522-ha plantation Fundo Don Ernesto. It also has two packing facilities. According to the labour unions, AGROKASA exported fruits and vegetables to the worth of USD 57 million in 2015, and Agrícola Chapi to the worth of USD 19 million. (pg 38)*

Agrokasa operates two farms in Ica: Santa Rita (table grapes) and La Catalina (table grapes, asparagus, and avocados). The total cultivated area in both operations is currently 905 ha.

We have three packing facilities: the first in Fundo Santa Rita, where we pack table grapes, the second in Fundo La Catalina where we pack asparagus, and the third one where we process table grapes and avocados.

AGROKASA has a third operation in Barranca, located in North Lima, where the highest avocado and blueberry production is concentrated.

It should be noted that in 2015, the total value of AGROKASA sales, considering the whole operation, amounted to USD 84.5 million.

## 4. About our collaborators

*According to the unions, the companies AGROKASA and Agrícola Chapi do not use middlemen to employ temporary workers. However, many other companies use such agents to collect people to work on a day-to-day basis. Insecurity for those workers is generally worse and, according to the unions, they receive no insurance or benefits and are not compensated for accidents.*

All the workers are directly employed by AGROKASA. Our entire personnel are on a payroll and enjoy all the employment benefits such as healthcare and life insurance. AGROKASA provides employees with free meals and transportation, in addition to safety devices to carry out their job.

## 5. About audits

*AGROKASA is a supplier of fresh green asparagus to several of the Swedish companies through different Swedish and European middlehands. In its response to Swedwatch, AGROKASA states that it is a company oriented towards the sustainable development of Peruvian export products. It has committed to the labour policies contained in the Protocol of Ethical Trading Initiative (ETI), whose demands are more stringent than the conditions required by Peruvian labour law. ETI is an independent, non-profit alliance of businesses, unions, and voluntary organisations that work to improve global supply chains.*

AGROKASA belongs to SEDEX since 2005. This platform allows us to share information about social practices with some of our clients. We perform audits based on ETI principles through SMETA (Sedex Member Ethical Trading Audit) processes carried out by audit companies contracted by our clients. The results and implemented improvements are shared with them.

We also implement specific ethical requirements from some specific clients, and we are audited by them or third parties contracted by the client.

## 6. About the transparency of audits

*AGROKASA states that the company's operations periodically are subject to external ethical audits carried out by globally recognised audit firms contracted by specific clients. The methodology of the audits includes both individual and group interviews with workers, sometimes up to 2000, conducted in private. According to AGROKASA, it is not possible to influence the answers since the interviewees are randomly selected. Additionally, the reports of these audits are carried out strictly respecting the anonymity of the interviewees.*

As required in some ethical audits (such as SMETA), the auditing company should issue a release a few days before explaining the process development and including the auditor's phone number and e-mail so that workers may directly communicate with them before, during or after the audit, and thus guarantee the process is fully developed with total transparency.

In AGROKASA we are willing to share our good practices to become the standard of efficient and sustainable water management in the Ica valley.

Finally, we will always be available to share with you our sustainable corporate culture.