

U.S. Flower Growers at Further Risk from Colombia Free Trade Agreement

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The Colombia Free Trade Agreement is based on the same flawed agriculture policies that have already undercut many American fruit and vegetable producers under the North American Free Trade Agreement.

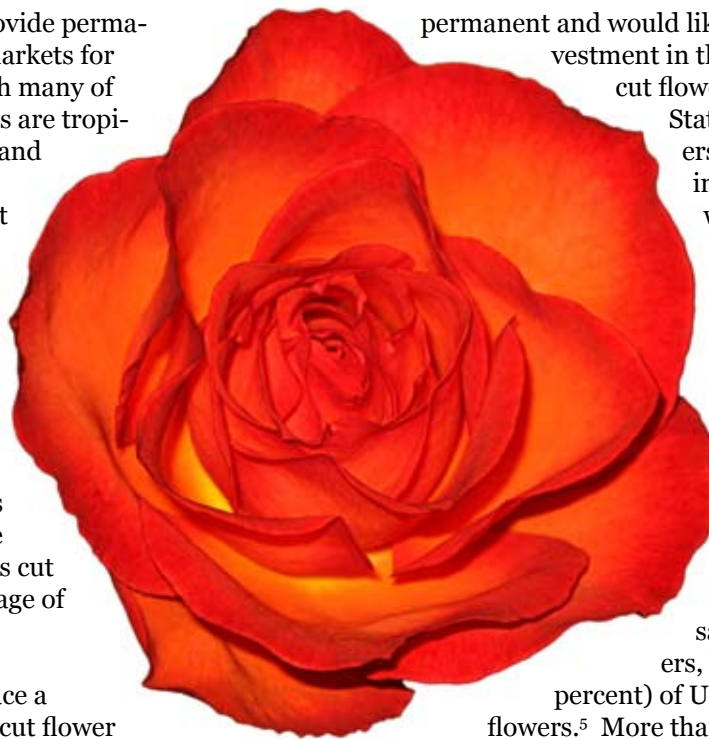
The Colombian FTA would provide permanent access to United States markets for agriculture products. Although many of Colombia's agricultural exports are tropical crops like coffee, bananas, and pineapples, one of Colombia's main agricultural exports – cut flowers – compete directly with flower growers across the United States. Colombia's low wages, lax worker safety rules and lenient pesticide standards provide a cheaper export platform to compete against U.S. flower producers. American investors and floriculture companies are already investing in Colombia's cut flower industry to take advantage of the proposed Colombia FTA.

While U.S. flower producers face a continued flood of Colombian cut flower imports, Under the Colombia FTA, Colombian subsistence farmers will face stiff competition from American corn, rice, and chicken. After NAFTA, more than a million small farmers abandoned their land after low-priced American corn undercut their production of Mexico's basic food staple. There are more than 3.6 million Colombian agricultural workers and more than 10 million rural Colombians that could be directly affected by increased U.S. exports of staple food crops.¹ Nor do Colombia's workers in the flower industry thrive. Most flower workers receive paltry wages for hard work under hazardous conditions.

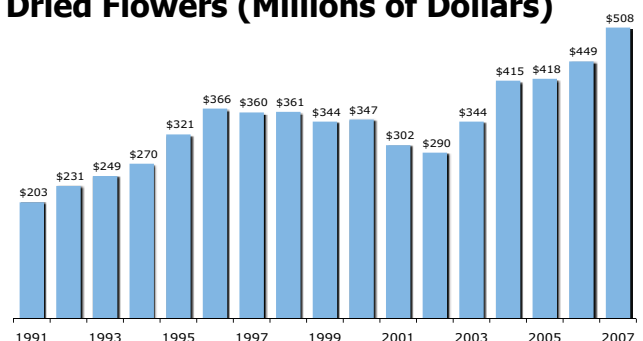
Cut flower imports from Colombia have been growing since 1991 under the current trade agreements that give Colombia duty free access to the U.S. market.² The proposed Colombia FTA would make the current trade preferences

permanent and would likely spur additional foreign investment in the flower industry and increase cut flower imports into the United States. Colombian flower exporters expect that U.S. investments in the Colombian flower industry will increase under the FTA.³

Global cut flower exports to the United States have grown steadily over the past fifteen years, more than doubling from \$326 million in 1990 to \$768 million in 2006.⁴ These imports have become the majority of flowers sold at U.S. retail flower outlets. In 1990, the majority (57 percent) of U.S. retail flower sales were from American growers, but by 2006, two thirds (67 percent) of U.S. flower sales were imported flowers.⁵ More than half of imported flowers come from Colombia.⁶ These rising imports have undercut



U.S. Imports of Colombian Cut and Dried Flowers (Millions of Dollars)



domestic flower production and significantly reduced the number of farms growing flowers for the U.S. market.

Remaining American Flower Farms Wither Under More Colombian Imports

U.S. flower farms have long been competing against low-priced flower imports from Colombia, but the proposed Colombia FTA would worsen the damage for key imported flowers and threaten growers that shifted away from roses and carnations. Since Colombia first received trade preferences in 1991, cut flower imports exploded. Between 1991 and 2007, Colombian total cut flower exports more than doubled from \$203 million to \$508 million.⁷ For several varieties, imports are the majority of flowers sold in retail outlets and Colombian flowers are the majority of imports.

American flower producers have struggled to compete against low-priced imports, and the number of large flower operations has fallen by 58 percent from 932 in 1992 to 388 in 2006.⁸ Many U.S. flower producers shifted away from rose, chrysanthemum and carnation production to insulate themselves from surging cut flower imports over the past decade.⁹ The number of rose, standard carnation and pompon chrysanthemum growers fell 72 percent from 476 in 1993 to 133 in 2005.¹⁰

Imported roses and carnations have already grown to dominate the U.S. retail flower market, and Colombia is the primary supplier of imported roses and carnations. Between 1992 and 2006, the share of imported roses grew from 34 percent of the U.S. market to 91 percent of the U.S. market, and the share of imported carnations rose from 67 to 97 percent.¹¹ Colombian flowers make up the majority of rose and carnation imports. Since 2000, Colombian carnations made up more than 95 percent of imported carnations by

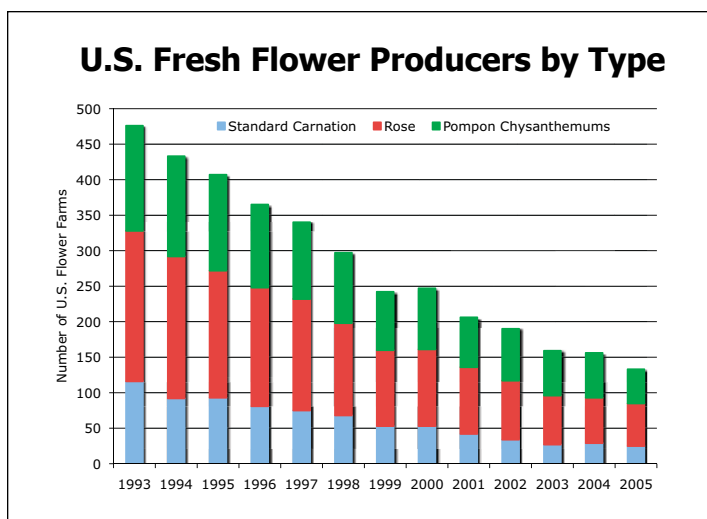


dollar value.¹² Colombia's share of total rose imports grew by 13 percent over the past decade, from 64 percent in 1998 to 72 percent in 2007.¹³

Colombia's Flower Industry No Bed of Roses for Workers

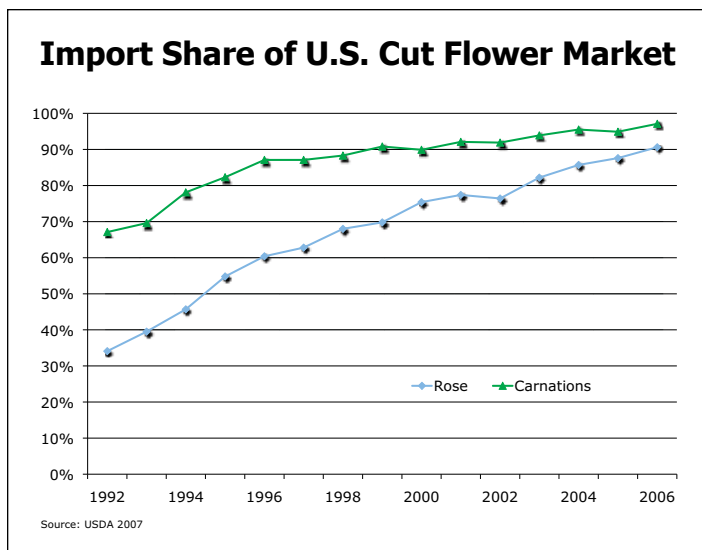
Although imported flowers are less expensive for American consumers, they come at a steep price for Colombian workers. Wages are below what is needed to support families, many workers are exposed to dangerous pesticides, and workers find it difficult to form independent labor unions. The majority of Colombia's flower workers do not earn the nation's minimum wage,¹⁴ but Colombian workers need to earn more than double the minimum wage to make a basic basket of household goods affordable.¹⁵ Flower workers often work very long hours, especially prior to the U.S. Valentine's Day and Mother's Day holidays. A Colombian pro-foreign investment group advertised in recent promotional material that "In Colombia, it is possible to work [employees] two 8-hour daytime shifts with no overtime surcharge."¹⁶

The majority of Colombian flower workers suffer from work-related health problems. Field workers have little access to protective equipment and clothing necessary in a pesticide and fungicide intensive environment and workers in packhouses are vulnerable to repetitive stress injuries from long hours preparing flowers for export.¹⁷ A fifth of the pesticides used in Colombian flower production are



known carcinogens and have been banned or restricted in North America and Europe.¹⁸ The Colombian NGO Cactus reports that immediate exposure to pesticides can result in nausea, rashes, and impaired vision, and long-term exposure can cause miscarriages, birth defects, and neurological problems.¹⁹ About two-thirds of flower workers are women, who can be subject to mandatory pregnancy testing or be required to provide proof of sterilization.²⁰ Colombian flower workers endure these risks out of fear that they will be terminated if they complain, according to the U.S. State Department.²¹

Violence against labor organizers in Colombia remains high, despite promises by the Colombian government, and flower workers have had difficulty forming independent unions. As of 2008, no independent flower worker unions existed in Colombia.²² Colombia has the highest level of violence against labor unions in the world and more than 140 union organizers were killed between 2005 and 2006.²³ Workers in the cut flower industry are strongly discouraged from forming unions. Suspected labor organizers can be threatened with termination, having their wages docked, or be blacklisted at other flower companies.²⁴ Slow recognition of unions by the government effectively blocked union representation in the cut flower industry, according to the U.S. State Department's Human Rights Report on Colombia.²⁵ In 2004, workers at a major flower exporter, Dole, won their first independent union drive, but the company, the Colombian government, and a union cozy with industry all acted to prevent the new union from successfully negotiating a contract with Dole.²⁶ By 2008, the Colombian government had failed to bring the parties to arbitration to finalize the contract.²⁷



Future More Precarious for American Growers Under Colombian FTA

The Colombian floriculture industry was developed as an export platform designed to take advantage of Colombia's lower labor, land, and environmental costs and was created by shifting small-scale independent farmland into large flower farms.²⁸ Foreign investment (including U.S. firms) in the Colombian flower industry continues to build export capacity.

U.S. investors have owned one fifth of the Colombian flower export businesses over the past decade.²⁹ Between 2004 and 2006, U.S. companies plowed more than \$500 million into Colombia's flower industry.³⁰ These investments contributed to the expansion of Colombia's flower industry. Between 2003 and 2007, Colombian floriculture acreage rose 44 percent from 13,900 acres to 20,000 acres in 2007.³¹

These new investments could bring new types of flower imports into the country. American flower growers have been shifting to flowers that Colombia does not produce in great volume to stay in business over the past decade. However, Colombian flower firms are developing new flower varieties for export and adapting new floriculture techniques and technologies that may increase Colombian flower import competition. One of Colombia's largest floral firms is already testing nearly 100 new flower varieties a year for export to the United States.³² Other Colombian firms are purchasing foreign flower licenses and technology to develop new products.³³

Permanent access to the U.S. market for Colombian flowers combined with increased investment in the industry by U.S. firms would further undermine American flower producers. Flower growers in California, Florida, Washington, Oregon, and New Jersey could face increased imports and imports of additional varieties like orchids and snapdragons that could threaten producers that had shifted out of roses, carnations and pompon chrysanthemums. The Colombian FTA will fail to protect Colombian workers and will destabilize American growers.

What You Can Do:

Tell your member of Congress to vote NO on the Colombia Free Trade Agreement! To contact them, call the Congressional switchboard at (202) 224-3121.

Endnotes

¹ United Nations Food and Agriculture Organization, "Food and Agricultural Indicators: Colombia," November 2006.

² Colombia receives duty free access to U.S. markets for most agricultural products since the Andean Trade Preferences Act went into effect and subsequently was renewed under the Andean Trade Preferences and Drug Eradication Act.

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⁶ USDA, FAS trade database for HS-0603 cut and dried flowers, accessed April 2008.

⁷ USDA Foreign Agriculture Service trade database, harmonized tariff code HS-0603, available at www.fas.usda.gov/ustrade, accessed March 2008.

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¹⁵ Escuela Nacional Sindical, "Employment and Quality of Work in Colombia," November 21, 2005 at Chart 9.

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²⁰ "A Valentine's Day Report," Op. cit.

²¹ U.S. Department of State, Colombia Report on Human Rights Practices 2007, March 11, 2008.

²² Mance, Henry, "Behind Colombia's Flower Trade," BBC, February 14, 2008.

²³ Testimony of Maria McFarland Sanchez-Moreno, Principal Specialist on Colombia, Human Rights Watch, before the U.S. House Committee on Foreign Affairs, Subcommittee on International Organizations, Human Rights, and Oversight and Subcommittee on Western Hemisphere, June 28, 2007.

²⁴ Mance, Henry, "Behind Colombia's Flower Trade," BBC, February 14, 2008.

²⁵ U.S. Department of State, Colombia Report on Human Rights Practices 2007, March 11, 2008.

²⁶ International Labor Rights Fund, "A Valentine's Day Report," February 13, 2007 at 6-11.

²⁷ Representative George Miller, press release, "Chairman Miller Statement on Labor Conditions for Colombian Flower Workers," February 14, 2008.

²⁸ U.S. International Trade Commission, "Industry & Trade Summary: Cut Flowers," February 2003, USITC Pub. 3580 at 31.

²⁹ Velez, Ernesto, Chairman of the Board, ASOCOLFLORES, "Colombian Floriculture," No. 2 distinguished lecture series, Ellison Chair for International Floriculture, Texas A&M University, March 2007 at 6.

³⁰ U.S. International Trade Commission, "Andean Trade Preference Act: Impact on U.S. Industries and Consumers and Drug Crop Eradication and Crop Substitution," USITC Pub. 3888, September 2006 at 3-14 and 3-23.

³¹ U.S. International Trade Commission, "Industry & Trade Summary: Cut Flowers," February 2003, USITC Pub. 3580, at 31; Velez, Ernesto, Chairman of the Board, ASOCOLFLORES, "Colombian Floriculture," No. 2 distinguished lecture series, Ellison Chair for International Floriculture, Texas A&M University, March 2007 at 4.

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About Food & Water Watch

Food & Water Watch is a nonprofit consumer organization that works to ensure clean water and safe food in the United States and around the world. We challenge the corporate control and abuse of our food and water resources by empowering people to take action and by transforming the public consciousness about what we eat and drink.

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