

Blood oranges: Italy's shame

Part 2

The mafia has contaminated Italian agriculture - from farm to supermarket - and immigrant workers are getting crushed. By **Tobias Jones** and **Ayo Awokoya**

The enslavement of immigrant workers in the Italian south has been an open secret for years. But although the gangmaster system, in which workers are exploited and poorly paid, was outlawed in 2016, law enforcement has not caught up: a recent report by the agricultural workers' union, FLAI-CGIL, suggested that "about 100,000 (mostly foreign) workers are forced to suffer workplace blackmail and dilapidated living conditions".

A system of certification for Italian and international supermarkets to say that their produce is not the fruit of slavery has also failed to eradicate the practice. On the contrary: for decades, organised crime and discount supermarkets have forced down the price of raw products, reducing payment along the food supply chain and creating a system that inevitably punishes the most vulnerable.

"This isn't a comfortable message for supermarkets", says Rachel Wilshaw, the ethical trade manager at Oxfam, "but in squeezing their suppliers so hard commercially that they can only make a profit by exploiting workers, supermarkets themselves are driving the conditions that can result in modern slavery in their supply chain."

The story of price reduction for agricultural produce in the Italian deep south began 40 years ago, in January 1979, when two lorry drivers headed south from Verona to purchase oranges. They were in Rizziconi, next to Rosarno, when they were stopped and shot dead. Their mistake had been to purchase the oranges not too cheaply, but at a fair price. The 'Ndrangheta intended to be the sole purchaser of oranges, and any competition had to be eradicated. As Giuseppe Lavorato - Rosarno's anti-mafia mayor between 1994 and 2002 - wrote in his memoir: "In the 1970s, the 'Ndrangheta kept away from our towns any trader who paid an equitable price [for oranges] in order to remain the only buyer and impose

its own low price."

According to Lavorato, the 'Ndrangheta wasn't content simply to be the sole purchaser of Calabrian oranges. It wanted to become the "exclusive protagonist" in the entire commercial chain, obliging farmers to go through them for every stage of production "for the labourers at harvest time, for the companies selling crates, for the lorries to transport the produce".

Throughout the 1980s, oranges were increasingly profitable. Fizzy orangeades were becoming popular and companies sourced juice from Calabria, where the oranges were of lower quality, and thus sold for concentrates rather than as whole fruits. With the arrival of subsidies from the EU's common agricultural policy in the 1980s, the 'Ndrangheta saw another source of income. It took over the titular ownership of what are called "producers' organisations" (farmers' cooperatives) and invoiced the EU billions of lira for "paper oranges" (fruit that existed only on documents).

"They were weighing the same lorry two, four, six times," says Don Pino de Masi, an anti-mafia priest in Rosarno, meaning that they were receiving far more subsidies than they were entitled to. It is estimated as much as €75m was embezzled in this way in 2007 alone.

It also meant Calabrian farmers were extremely vulnerable to international competition when Brazil and other countries began undercutting the Calabrian juicers. As the mafia cut corners, always looking for maximum returns, the laborious tasks that the EU subsidies were intended to finance - protecting or improving production through pruning, replanting, fencing, scientific research and infrastructure - simply hadn't been carried out.

Throughout the 1980s and 90s, the Italian mafia bought land. Cash-rich from drug trafficking and from embezzling public funds for construction, the mafia saw the land grab as an easy way to launder profits. When garbage-disposal contracts

were privatised, land offered an opportunity to dump refuse, including toxic waste. The building in San Calogero (near Rosarno) where the young Malian Soumaila Sacko was shot dead last summer had been used to dump 127 tonnes of industrial byproducts.

But the mafia's purchase of agricultural land received a new impetus when, in 2008, the EU's subsidy system was changed: there was now a fixed sum of €1,500 per year per hectare, regardless of production. It was a further incentive to buy land, with the result that many of the orange groves in Calabria are now controlled by some of most powerful families in the Italian

underworld: the Pesce, Piromalli and Mancuso clans.

“The mafia now governs the agro-industry,” Leonardo Palmisano, the anti-mafia author, told us. “You only need to look at the properties confiscated from the mafia. In recent years, they are almost all in the agricultural sector. And organised crime doesn’t just control agricultural production, but also transport, commercialisation and the fruit markets.”

Recent investigations have supported Palmisano’s assertion: in one, codenamed “All Clean”, magistrates discovered that almost every aspect of the supply chain for oranges was dominated by the ‘Ndrangheta: cooperatives for the harvest and sales of oranges, five different transport firms, a company involved in plastic packaging and another in cardboard packaging. In one wiretapped conversation, a member of the notorious Pesce family even boasted that he himself had created the transportation network for the Cedi Sisa supermarket in Calabria.

Many of the huge fruit-and-vegetable markets throughout Italy have also become bases for criminal organisations. With the constant coming-and-going of lorries, those permanent markets offer a good cover for drug-running: an investigation in 2007 revealed that the Morabito clan from Africo, just south of Rosarno, had taken control of the Milanese fruit and vegetable market, fixing prices and dealing cocaine from inside the market’s administrative offices (207kg were confiscated in one raid alone).

The situation was the same 10 years later: in an investigation called *Provvidenza*, the Piromalli clan was revealed to have wrested control of the Milan fruit and vegetable market from the Morabitos. The same clan was also alleged to have influence over an agricultural cooperative, Copam, near Rosarno, which between 2012 and 2016 received €2.6m from the EU.

Italy’s Agromafia Observatory, an organisation that analyses criminal incursions into the food chain, estimates that the value of food-related business to organised crime has risen 12.4% in the past year, making it now worth €24.5bn. The Observatory suggests that agriculture now makes up 15% of the mafia’s total income. In the period from 1 January 2017 to 30 June 2018, the Guardia di Finanza confiscated 800 tonnes of tomato concentrate that were believed to be the product of criminal activity.

Large sections of Italian agriculture are untainted by organised crime, but the mafia has contaminated parts of the food supply chain in a way that makes it difficult to isolate. The recruitment and payment of day-labourers is subcontracted to a gangmaster, the *caporale*, who wields total power over the workers and is in a position to withhold their documents and, at times, their pay. Often these gangmasters are migrants who are expected to deliver workers for a rock-bottom price and are the first to get arrested if there’s any trouble.

“You have to understand”, says De Masi, the anti-mafia priest, “that in Calabria, the black economy is bigger than the real one. There are no workers’ rights. You take on who you can pay the least and the gangmaster oils this ‘race to the bottom’ mechanism. Above the immigrant gangmaster is the Calabrian one, the expression of the will of those who command here.”

What happens to brave farmers who try and escape that “command” is telling. The GOEL Association unites 27 farms in Calabria, as well as many businesses and cooperatives that refuse all contact with the ‘Ndrangheta. Its president, Vincenzo Linarello, says he is trying to persuade farmers that they can get richer by fighting the mafia: “We pay 40 cents per kilo of oranges to our farmers. That’s almost six times what others receive,” he says. But the consequence of taking a stand is that his farmers are constantly suffering vandalism and arson, while sheep and goats have been repeatedly

released on to their crops.

“We have continuous thefts, bombings and damage,” says Linarello. “They never hurt people, only objects. But you are brought to a point of absolute exasperation, such that eventually a farmer [without a supporting association] seeks them out to understand why they are being attacked. The farmer almost has a perverse sense of gratitude to the person [who can stop the attacks].” From then on, says Linarello, all the farm’s contracts – for employment, transportation, sales and so on – will slowly come under the control of organised crime.

Last summer, at the height of Italy’s tomato-picking season, there was a robbery at a biodynamic farm in Molise, just north of Puglia. The manager, Paola Santi, employed a number of migrants, and made sure they were paid a fair wage and worked in a healthy environment. Eager to share this good practice, she made a video and uploaded it to the business’s Facebook page. “We just wanted to set a good example,” she told us, “to show that some of our workers had been with us for 10 years.” Within three days, the company’s four tractors – worth €250,000 – had been stolen.

Every year, before the harvest is in, certain supermarkets invite a supply price for their fresh produce. Because the order, for the winning bidder, will be very large, producers compete to outdo each other with the lowest price. This is the supermarkets’ “double-down” auction, infamous for reducing prices on all produce. After opening offers are called in, the lowest bid from that first round is then used as the starting point for this second round, hence “double down”.

In April 2014, an auction for tomatoes was in progress. In Naples, a manufacturer of tomato products called Francesco Franzese stared at his computer screen in consternation as the price dropped. He was managing director of La Fiammante, a company based on the slopes of Vesuvius, which sold tinned tomatoes, passata and puree. What he saw shocked him. The tomato-growing season hadn’t even begun, but a supermarket chain was inviting a supply price for 20m tins of tomatoes. Franzese was logged on to the online portal, and every time a rival company lowered their price, a two-minute timer started.

“It was like a game,” he told us, “and you had to keep going lower to stay in it. It was the only auction that I had seen going downwards. You didn’t even know if the other bids were real, or just a way to force down the price.”

Franzese knew the figures didn’t add up. The prices rival companies were offering to sell for had to be, he calculated, below their costs. “To produce a tin of tomatoes,” he told us, “certain expenses are out of your control: the price of tin, energy and water costs and so on. The only place you can squeeze savings are in labour costs. The only place.” He decided not to participate in the auction. “In accepting these industrial prices,” he said, “we’re actually selling the skin of the farm-workers.”

Franzese’s refusal to play the game, however, was an isolated protest. Given the parlous state of the Italian economy in recent years, the double-down auction has, since 2014, become more common. Discount supermarkets – the main perpetrators – now account for almost 20% of the Italian market, and in Germany (a major consumer of Italian produce) the figure is at 40%. Between 2014 and 2017, while the Italian economy has been stagnant, the major discount supermarkets have grown.

Activist **Fabio Ciconte** and journalist Stefano Liberti have been campaigning for a decade for a fairer food industry, and recently published a book, *Big Trolley: Who Decides What We Eat?* “The supermarkets,” they wrote, “have created a war between the poor: on the one side the farmers, who are struggling to survive, and on the other consumers, who want to spend less and less.”

The result is that tomatoes, oranges and other agricultural produce are now sold with no relation to

how much they cost from the ground up, but solely how little the super-powerful supermarkets are prepared to pay from the top down. Many supermarkets also charge a "listing fee" for the privilege of being on their shelves. In their book, *Ghetto Italia*, Yvan Sagnet and Leonardo Palmisano describe it as a race to the bottom. "The link between the cost of work and the price of the product has broken," they wrote.

Prices paid to tomato-processing companies, which turn the raw fruit into tins of tomatoes, concentrates, sauces and ketchups, are constantly forced down. Those processors, in turn, readjust the prices they pay to farmers, in order to maintain their profit margin. A recent "fair price" campaign (launched last December by the environmental charity Legambiente, and the ethical Italian supermarket NaturaSi) highlighted just how low prices have fallen: farmers now receive an eye-wateringly low 7.5 cents for a kilo of tomatoes. The per-kilo price for oranges hovers around the 7 cents mark (there are regional and seasonal variations).

In that context, it is hardly surprising if corners are cut. Farmers use gangmasters to provide the cheapest, most vulnerable labour, and don't ask questions about the workers' conditions. "The farmers make up for [diminishing margins]", Sagnet and Palmisano wrote, "through the gangmasters... everyone makes money on the ones below, except for the very last in the chain, the labourers."

Such purchasing practices are irresponsible, says Cindy Berman, head of the London-based Ethical Trading Initiative's modern slavery strategy. While she noted this is common across all industries globally, ETI's position on the matter is clear: "It is a practice we abhor, and we discourage. Responsible companies shouldn't be doing it."

The power of supermarkets is exacerbated in Italy by the producers' relative weakness. In the Italian south, the average size of a farm is seven hectares. There is often little consolidation or cooperation between them, and they remain powerless compared with the national supermarket chains. There is also an almost total absence of employment agencies for the agricultural sector in Calabria and Puglia, to act as alternatives to gangmasters. "There's a complete lack of organisation," says Stefano Liberti. "If you need labourers quickly, there's no efficient way to find them. That's the intermediary role that *caporali* [gangmasters] provide."

The price pressure is even more acute on tomatoes than on other products, because they are often used by supermarkets, like milk in the UK, as what they call "*un prodotto civetta*" - a loss leader. Tomatoes are so fundamental to Italian cuisine that shops sell them at a loss, knowing the customer will purchase other products while shopping and make up the difference.

But the downward squeeze on prices is only part of the story of the supply chain, because it is also apparent that someone, somewhere, is making huge profits. Although farmers were paid 7.5 cents per kg for their tomatoes last year, the consumer was charged, roughly, €2 per kg for them. That represents a price increase of 2,567%.

Given that supermarkets are sourcing their oranges and tomatoes from crime-ridden areas of southern Italy, one might expect them to be circumspect about their suppliers. But they lack the instruments, or willingness, to probe deeply into where their products are sourced.

Both UK and Italian supermarkets defend themselves by the blanket use of certification bodies (CBs): these are companies paid by supermarket suppliers to provide an ethical audit of their businesses, thereby offering assurance that their goods meet environmental or humanitarian standards.

But CBs perform an arm's-length box-ticking exercise, and rarely visit the farms. Besides, many farms are so remote that it is hard to launch a raid or surprise

inspection. We spoke to one volunteer medic, working in the fields in Sicily, who says that to avoid any surprises, big farms have lookouts on mopeds at the ends of very long tracks. Some inspectors can be paid off, and those who do their job with integrity have been threatened with violence.

Global Gap (an inspectorate for good agricultural practice founded in 1997 by retailers) is an organisation that has patented one methodology for such audits. But under the Global Gap method, only the square root of the total number of farms used by a processing plant is inspected (ie, if there are 100 farms supplying a plant, only 10 will be inspected). There's no element of surprise - the general regulations of Global Gap state that "The following is true for unannounced inspections: the CB may inform the producer in advance of the intended visit."

Almost all CBs attract business by boasting that they provide "reputational preservation" or "risk awareness". They exist primarily to shore up a good name rather than root out and reveal bad practice. There is a conflict of interest, since the cost of certification is met not by the supermarkets, but by the clients - an agricultural producer or processor. "When the person being inspected is the same person paying the inspector's fee, 99.9% of the time the inspector will say: 'No, you're not exploiting anyone'," said Aboubakar Soumahoro, of the USB grassroots union. It is, he says, a racket: "The story just doesn't stand up." One major CB told us, off the record: "We audit remotely. We rely on the documentation our customers supply."

The announcement of inspections provides ample room for suppliers to cheat the system. "Audits are often announced in advance, which allows employers to deceive auditors [by making sure] exploited workers are not present on the day of the audit," says chair of the Yale university working group on slavery, Genevieve LeBaron.

Farmers of the Italian deep south who are trying to do things differently and put some kind of reform in place are scathing about the inspection process. Vincenzo Linarello, from GOEL, calls CBs "the original sin" of the modern slavery system. "It's simply not true that supermarkets are sourcing from farms that don't exploit labourers," he says. "How do they check? They make their suppliers sign contracts in which they simply self-certify." Lucio Cavazzoni, the president of Good-Land, a company campaigning for rural and community regeneration, says that certifications "are trustworthy on paper, but absolutely unreliable for [knowledge of] the fields".

Even some of the most powerful voices in the food industry express doubt that the certification process does anything to protect against gangmasters. "I wouldn't swear by it," Francesco Mutti, the CEO of one of Italy's biggest and oldest tomato-processing firms, told us. Mario Gasbarrino, CEO of the Unes supermarket chain, who disdains aggressive discounting practices, is equally blunt: "I put little faith in certifications."

The absurdity of the certification process was revealed in 2015, when a 47-year-old Sudanese immigrant, Abdullah Muhammed, was working on a tomato farm in Nardò in Puglia. Labouring without breaks, and with limited water, he suffered a heart attack and died. No medical assistance was available. It was his first day of work; he had arrived from Sicily the day before.

The farm was owned by Giuseppe Mariano, who had previously been caught up in an investigation into *caporalato* (gangmaster practices), and who had been using a Sudanese gangmaster. Using drones and wiretaps, an investigating magistrate, Paola Guglielmi, discovered that the farm was supplying processing plants owned by two of the biggest names in the Italian tomato industry, Mutti and Cirio.

The arrest warrant issued by Guglielmi for the farmer and his gangmaster spoke of "conditions of absolute

exploitation” on the farm. (Thanks to the glacial pace of Italian justice, the case against the farmer and his gangmaster is yet to reach court.) The farm supposedly had anti-slavery certification, Guglielmi told us, with a humourless laugh. “But they never really checked.”

Princes (the food conglomerate owned by Mitsubishi, and maker of Napolina brand tomatoes) has been sourcing tomatoes from the Nardò farm, now under new ownership, since 2016. A spokesman said they are confident the new management is proactive in improving conditions. When questioned by food campaigners Liberti and Cicone, Princes said that its “own audits” and “due diligence ... did not reveal any evidence of illegality”. Mutti was so aghast at the damage to its reputation that it decided, in future, to purchase only mechanically harvested tomatoes in the south. (Mechanisation reduces the working crews to four or five people, bar the driver.)

Cirio, which is owned by Conserve Italia, told the Guardian: “[We] would like to assure all ... consumers that it will continue to process tomatoes supplied by its 14,000 cooperators through the collaboration of its 3,000 employees in complete respect of ethical principles and environmental sustainability.”

The other problem of the supply chain is its astonishing secrecy. Of the 15 CBs we contacted, only two replied to our questions. The addresses of agricultural cooperatives supplying international brands are often nondescript suburban offices, and, when you visit, they refuse to divulge which farms they work with.

“I’ve been in this business for 40 years, and I’ve never understood why the fruit-and-vegetable supply chain [in Italy] is so long,” says Gasbarrino. “There’s something nebulous there.”

If the traceability is tricky on produce that is tinned or boxed, it’s even harder, of course, on loose fruit. If you attempt to trace where Calabrian oranges, picked by enslaved labourers, end up, everyone goes silent. The processing plant in Rosarno owned by Gaetano Rao, a businessman and politician, doesn’t reply. San Benedetto, an Italian orangeade producer, says it is too busy to comment. Only Fanta, which is owned by Coca-Cola, offers a complete list of all its suppliers and transporters. Since 2012, Fanta has stopped sourcing its oranges in Calabria.

“We’re taking lectures in morality from Coca-Cola,” says one Calabrian activist.

The continued use of enslaved labourers in Italian agriculture has been made possible by a combination of factors: a migrant crisis in which hundreds of thousands of people with minimal rights have arrived in areas dominated by organised crime, just as the country’s economy is flatlining and discount supermarkets are using all means possible to push down prices.

But small victories have been won. The window of time to harvest most produce is narrow, so strategic industrial action can threaten the entire crop. In the past decade, strikes have sometimes brought results.

In 2011, Yvan Sagnet, who came to Italy from Cameroon on a scholarship to study engineering in 2007, was at university in Turin when his scholarship was suspended. To get by, he went to pick tomatoes in Nardò with other African migrants. A sudden change in working conditions (the men were told they could no longer shake tomatoes off the vine, but had to pick them off by hand) infuriated the labourers, who downed tools. Sagnet, in his mid-20s, was chosen as strike leader.

Despite violent threats (“Stop this strike or else consider yourself dead,” one gangmaster told him), he denounced the gangmasters to police. “We showed the whole of Italy what was really going on,” Sagnet told us.

He has now set up his own business making tomato produce under the NoCap label, which he is hoping will raise consumer consciousness. (It follows the model of the successful Libera label, displayed by Italian

producers who have refused to pay protection money to the mafia.) It’s one of a number of products that are militantly anti-gangmaster.

A recent survey suggested that 11% of Italian adults are so concerned about the provenance of food products that they now use an alternative form of shopping. There are *gruppi d’acquisto solidale* (“supportive purchasing groups”), and all sorts of other buying options: *altromercato* (“another market”), *fuori mercato* (“outside the market”), *sfrutta zero* (“zero exploitation”) and Funky Tomato. These demonstrate that consumers can influence the conditions for agricultural workers. “If there are corporals”, says Cavazzoni, “there are also generals, and the generals aren’t only the supermarkets, but their customers.”

One of the few uplifting aspects of this dark story is that it may be immigrant labourers themselves who end this 21st-century slavery by standing up for their rights. Repeatedly in recent years, those with nothing to lose have revolted against gangmasters and the mafia. In December 2008, when an Ivorian in Rosarno was robbed of his entire savings and two more men were later shot, the labourers did something very rare for Rosarno: they organised a protest and denounced the criminals to the police.

In January 2010, after a Togolese man was shot in Rosarno, the immigrant labourers rebelled. Cars were burned and shop windows smashed in the so-called “revolt of Rosarno” before a savage counter-revolt was organised by the mafia and neo-fascist organisations. Four people were badly injured and the labourers’ temporary quarters were razed to the ground. The story was made into a brilliant, if harrowing film, called *Mediterranea*.

It was Sagnet’s protest that, in part, led to the creation of an anti-gangmaster law in 2016, with custodial sentences of one to six years (or five to eight years if accompanied by violence and threats) for those exploiting vulnerable labourers. A total of 561 people were arrested under the gangmaster legislation in the 18 months since the beginning of 2017, showing not only how widespread the problem is, but also the fact that Italian law enforcement is beginning to take the problem seriously.

Italian justice, however, isn’t just excruciatingly slow; it’s also rarely punitive. In April this year, the court of appeal cleared 11 of the 13 accused of “reducing their workers to a state of slavery”. Only the two immigrant gangmasters, and none of the Italians, were convicted.

In May, another agricultural labourer died in a car crash in Foggia (he had no documents, so his nationality is unknown). In April, a Gambian asylum-seeker died in a fire in the reconstructed slum of Borgo Mezzanone. If anything, the plight of immigrant labourers is getting worse, rather than better. In May’s EU elections, Matteo Salvini gained 34.3% of the vote, thanks largely to his incessant anti-immigrant rhetoric. Central to his message is the branding of modern slaves as criminals - saying nothing about slavery itself. ●

In recent years, workers with nothing to lose have begun to revolt against gangmasters and the mafia

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This piece was produced with support from the Pulitzer Center on Crisis Reporting in association with Freelance Investigative Reporters and Editors (FIRE)



A protest after the killing of migrant labourer Soumaila Sacko in Italy last year

ALBERTO PIZZOLI/ AFP/GETTY

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The long read

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ALAMY

