



CALIFORNIA HARVESTERS

AN EMPLOYEE BENEFIT COMPANY

BUSINESS DEVELOPMENT PARTNERS

AKASHA CONSULTING

*Systems implementation and
technical assistance*

RENEWABLE RESOURCES GROUP

*Agricultural investor and asset
manager*

TUTTLE LAW GROUP

Cooperative law

THE WORKING WORLD

*Financial and technical
assistance*

FAIR FOOD STANDARDS COUNCIL

*Worker engagement, education; Fair
Labor certification*

PARAPROFESSIONAL HEALTHCARE INSTITUTE

*Cooperative communication and soft
skills training*

FUNDING PARTNERS - \$1.8 MILLION RAISED IN 2018

JM KAPLAN FUND

**RENEWABLE
RESOURCES GROUP**

**WOODCOCK
FOUNDATION**

**THE WORKING
WORLD**

**HERON
FOUNDATION**

**CATHOLIC CAMPAIGN
FOR HUMAN
DEVELOPMENT**

CHI MANAGEMENT TEAM



Benny Parlan (CEO) has 4 years of farm labor contracting experience and oversees sales and operations of company.

Maira Rodriguez (Director of Safety & Training) conducts on-the-ground safety and training sessions with field workers.

Javier Felix (Field Crew Coordinating Manager) focuses on recruitment and crew deployment.

AP Bookkeeping (Payroll and Accounting Manager) 30 years experience in Farm Labor Contracting accounting.

CHI also employs critical support staff for HR as well as two field supervisors for on-the-ground oversight and assistance.

WHAT DOES CHI SEEK TO ADDRESS?

1

Lack of stable, year-round employment. Given the nature of agricultural growing seasons, it is challenging to provide farmworkers with consistent work, especially if a grower is not diversified in crops that require year-round employment. CHI seeks to address that by acquiring clients that possess contra-seasonal crops or production needs within a localized region to optimize efficiency and provide a stable, reliable workforce to its grower clients.

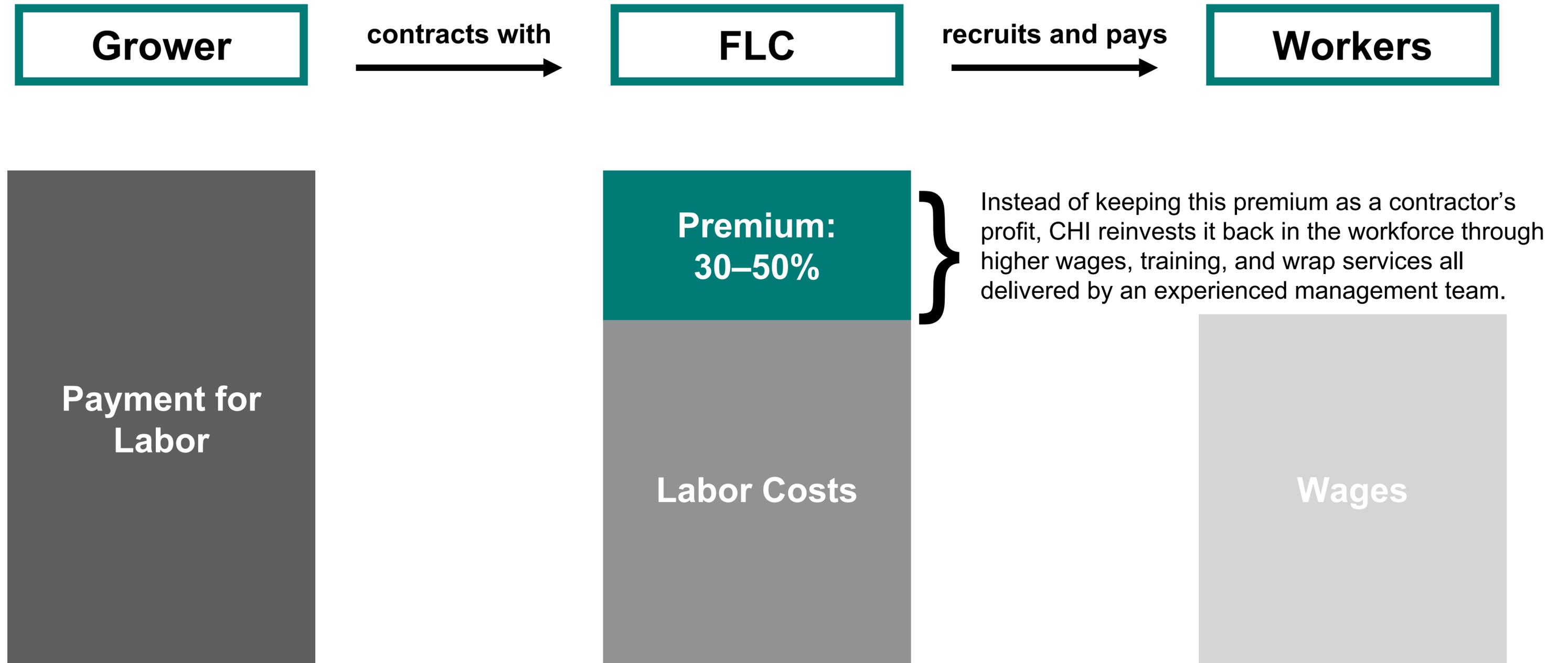
2

Lack of job training. Workers in any industry need adequate training to enter the industry, succeed for themselves and their employers, and grow professionally. CHI invests its revenues in providing job training to perform highly skilled field and processing work, regular safety and health trainings, and incorporating coaching techniques to monitor and improve performance and create a supported and respectful work environment.

3

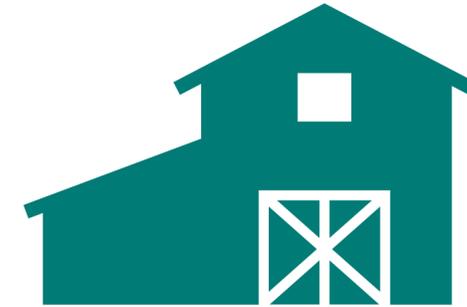
Low wages and few benefits. CHI invests its revenues in providing an higher hourly wage, increased incentive bonuses, and a robust health care plan, on top of the wages and health care reimbursements provided by growers. CHI is also partnering with existing government and community programs to provide transportation, childcare, and ESL/education opportunities, all of which translate into a more stable, productive and secure workforce.

CALIFORNIA'S FARM LABOR CONTRACTING SYSTEM



WORKFORCE DELIVERY IS FAILING

Not enough labor supply
High-risk third-party system and joint liability
Consumer and market pressure



Inconsistent working conditions and income
Limited training and opportunity to advance
No access to benefits, housing, and financial tools

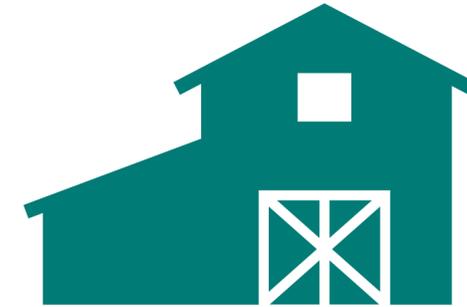
Underinvestment in or inaccessibility to community
infrastructure, childcare, housing, and financial
institutions



This affects the long-term profitability and sustainability of the agricultural sector.

SOLUTION FOR ALL PARTIES: CHI MODEL

Recruitment advantage in tight labor market
Demonstrated quality increase and cost decrease
Codify and market fair labor commitment



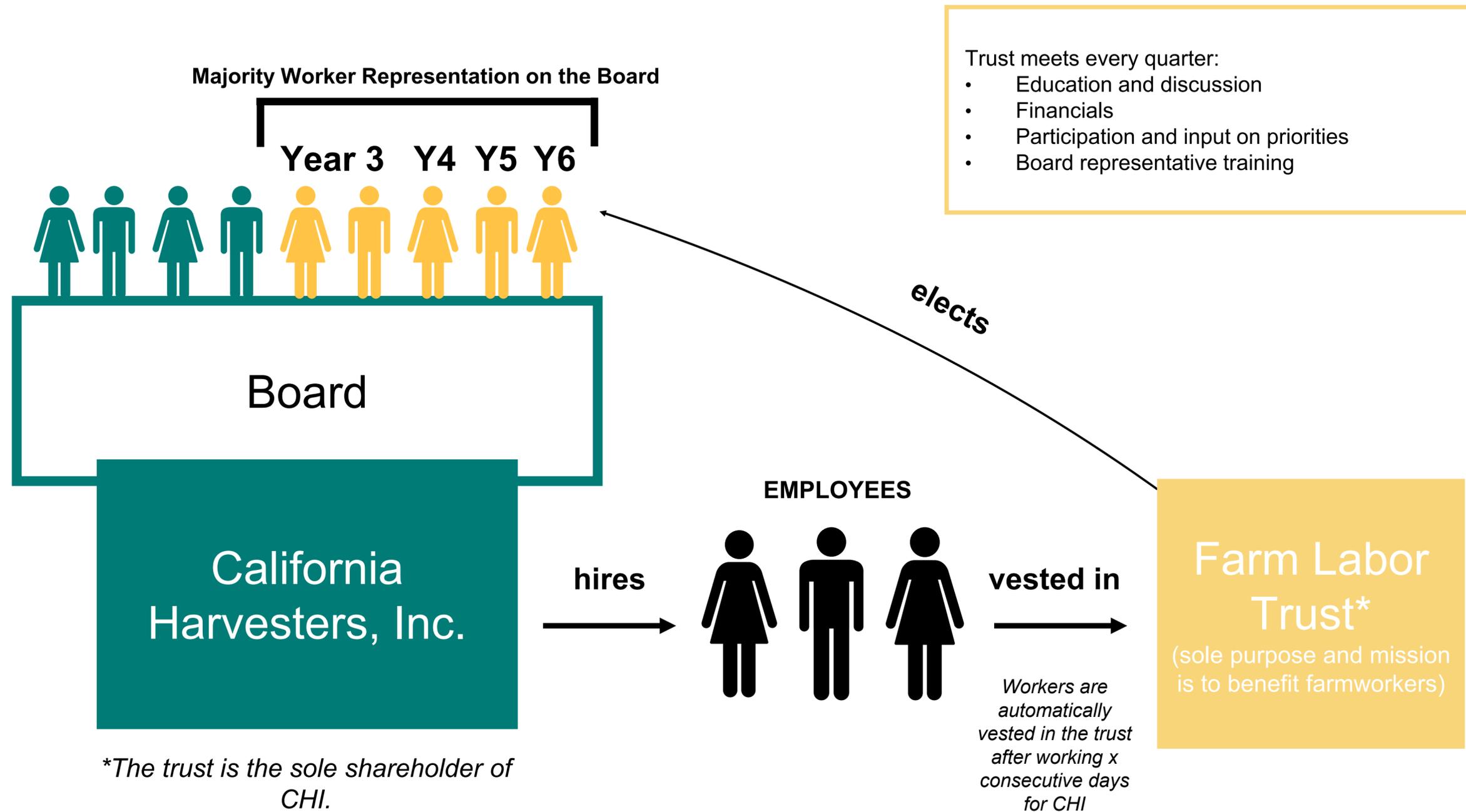
Higher wages, benefits, training, respect, and dignity
Worker participation in profits and trust-model governance
Increased access to wraparound services

Affiliated 501(c)3 can guide partnerships and infrastructural investments
Replicate throughout the industry and raise industry standards
Leverage scale for deeper impact



CHI: A farm labor contracting company majority-owned by a trust whose sole purpose is to benefit workers.

CHI'S TRUST MODEL





CHI'S SUCCESS

2018 ACCOMPLISHMENTS



We paid our field workers \$0.25/hr higher than minimum wage, along with increased production incentives.



We offer a health care plan for employees and a small weekly copay to add dependent coverage.

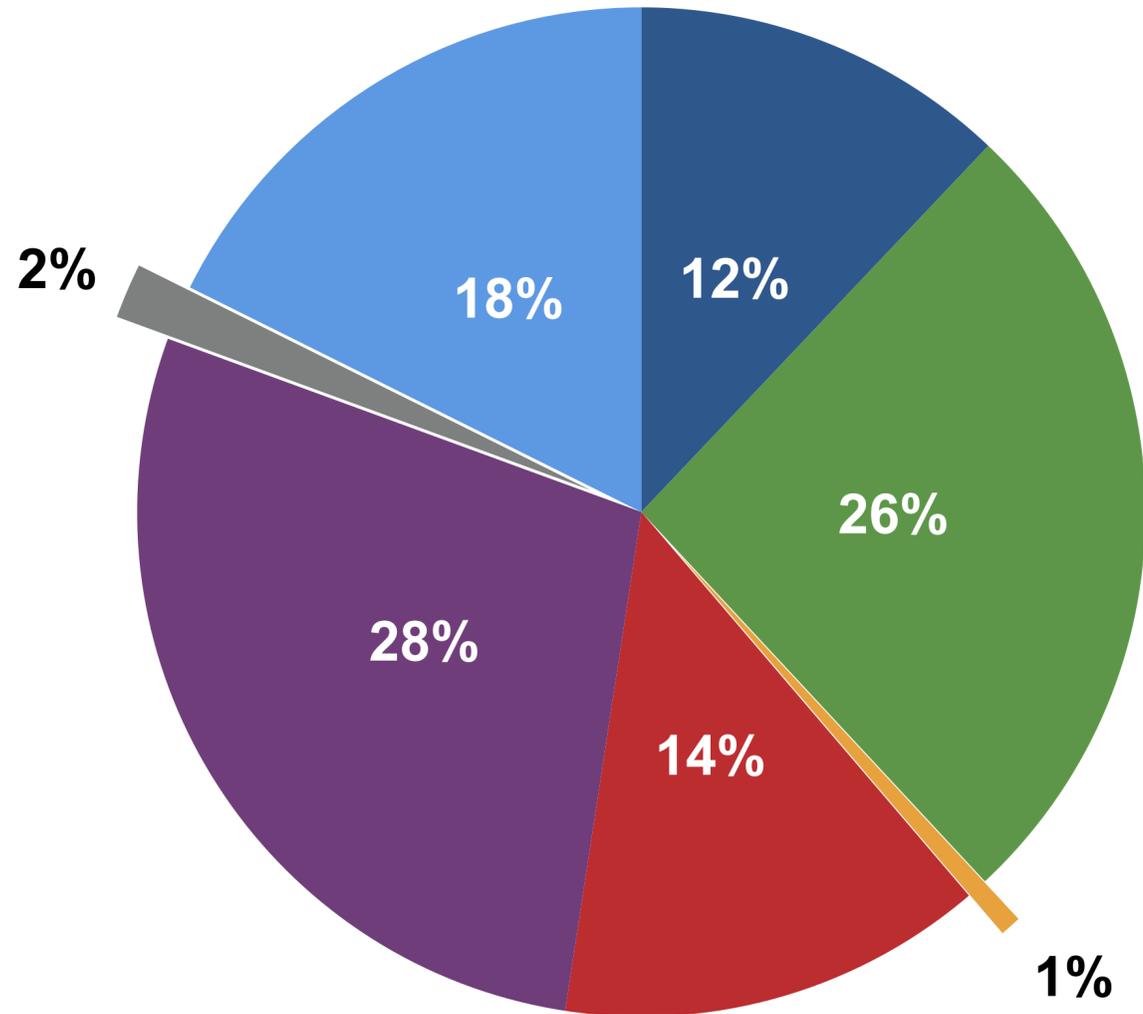
Performance Metrics Since April 2018 Launch

875+	Workers recruited
80%	Workers new to Sun World
40%	Workers new to table grapes
45%	Retention rate
52%	Increase in productivity
26%	Reduction in cost over nine months
73%	Workers compensation claims resolved through modified field work
70%	Medi-Cal enrollment
54%	Eligible employees enrolled in CHI's ancillary MEC health plan
3	Grower clients*

**Sun World served as anchor client and represented 95% of total sales.*

Grower Premium Breakdown

TRANSPARENCY AND INVESTMENT



- Payroll Taxes
- Admin Costs & Support
- Training
- Field Supplies, Services & Vehicles
- CHI Premium Wages
- Field Worker Benefits (MEC and Ancillary)
- Insurance and Worker's Comp



RAISING STANDARDS: WORKERS' COMP



Workers' compensation is one of the largest cost centers in agriculture as injuries often occur as a routine part of farm work. CHI has prioritized reducing the risk of injury and burden for the injured worker, the grower, and our company. CHI received a **letter of recognition** from the State Compensation Insurance Fund for its efforts in resolving workers' comp claims efficiently.

New State Fund Workers' Comp Rates		
	2018	2019
Packhouse	8.9%	6.8%
Citrus Packing	14.3%	9.3%
Grapes	14.3%	10.7%
Almonds	7.8%	5.9%

Timely Reporting of Injuries:

- 74% of claims were reported within 5 days.
- 17% of claims were reported within 10 days.
- Timely reporting reduces costs by avoiding additional care, time off work, disability, and litigation.

Litigation:

CHI boasts an "incredibly low number of litigated claims." CHI's communication with the worker, doctor, and claims team has created an environment that discourages litigation in favor of a solution that works for all parties.

Return to Work:

"The best thing about California Harvesters is that they will take almost everyone back at modified work, which is remarkable for this type of employer. This is saving money not only in temporary disability benefits, but helping the injured workers heal faster." —Kris Hartman-Brown, State Fund's Regional Claims VP



“Here I see a change.
Women are
respected, and they
pay attention (to
workers).”



“I like working here because
workers are treated well.
They treat you like a human.
At other places, they’ll talk to
you like you’re less than
human, yell at you, and
offend you.”



“This is the first
company that cares
about us.”

Quotes extracted from Fair Food Standards Council (FFSC) and Coalition of Immokalee Workers (CIW)’s audit of CHI, Oct. 2018

TRAINING



APRIL 2018:

2-day training for crew bosses, supervisors, CHI executive team, and board members

Topics: Communication, leadership, and soft skills

JUNE 2018:

2-day retreat and training for crew bosses and supervisors

Topics: Sexual harassment, safety, team building, and CHI's trust model

OCTOBER 2018:

Fair Food Standards Council audit and Coalition for Immokalee Workers training for field workers

Topics: Sexual harassment, workers' rights, and complaint procedures

NOVEMBER 2018:

Interactive one-hour presentations for field workers

Topics: Communication, harassment, and production best practices



LAUNCH RESULTS

2018: A CHALLENGING YEAR FOR TABLE GRAPES

1

Climate Change: An unseasonably hot summer with a record number of high heat days led to shorter hours for our workforce. Sun World policy does not permit workers to continue work when temperatures rise above 100°, so crews were often sent home after 5 - 6 hours instead of completing a normal 8-hour day in the field.

2

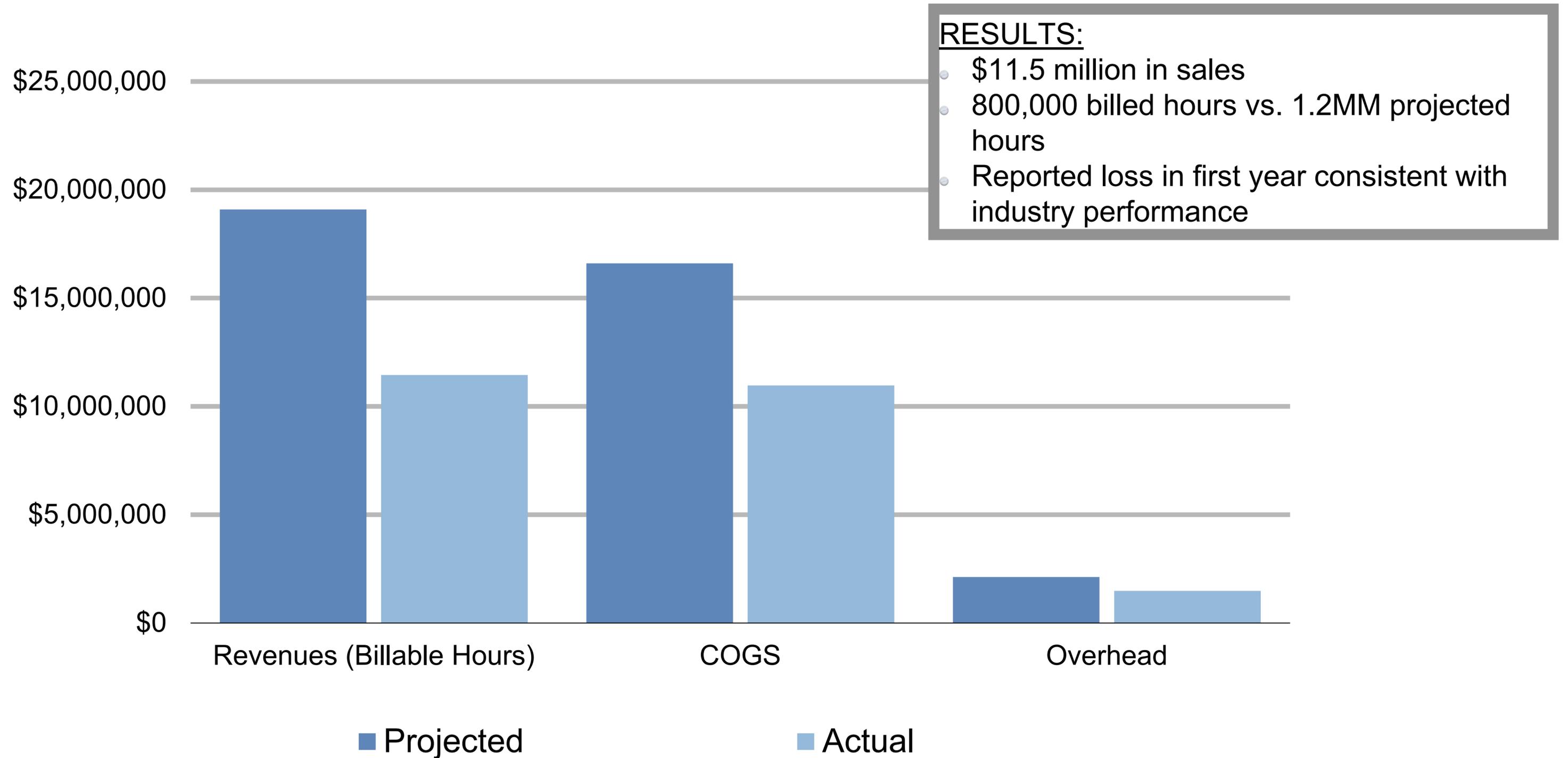
Trade Tariffs: 20-25% of Sun World's product is exported to Asia, but due to recent trade tariffs, export tax exceeded cost of production, and it became too expensive to continue hiring crews to pack fruit. Domestic markets were flooded with supply creating a downward pressure on price.

3

Coordination with other FLCs: In a short labor market, Sun World needed to maintain the loyalty of its key labor providers and avoid showing favoritism to any particular contractor.



2018 PROJECTIONS VS. ACTUALS



2019 BUSINESS OBJECTIVES

- **Expand Client Base:** Diversify client base to protect against market impacts and provide year-round work
- **CalVans:** Partnership and pilot program to provide safe, affordable transportation
- **Employment Training Panel:** contract for \$200,000 in reimbursable training dollars
- **Worker engagement:** Formal monthly needs assessment survey and feedback process
- **Childcare:** Partnership with county childcare providers to roll out a custom childcare service for CHI workers
- **Fair Food Certification:** Development of plan for certification to receive a “penny per pound” premium from retailers
- **Establish and Automate Processes:** Invest in software to automate timekeeping; establish foundational processes for greater growth

