



**Testimony of
Robert Lopez, State Legislative Representative
United Food and Commercial Workers International Union**

before the

**Labor, Industry, Veterans and Military Affairs, Finance and Policy Committee
Minnesota House of Representatives
February 23, 2021**

regarding

HF 600-Cannabis Regulation Act

Good afternoon, Chairman Eckland, and members of the Labor, Industry, Veterans and Military Affairs Policy Committee. I am here today on behalf of the United Food and Commercial Workers International Union (UFCW) and UFCW Local 1189. UFCW Local 1189 represents over 8,000 members in Minnesota who work in retail food, food service, food processing, healthcare, and the emerging cannabis industry while UFCW International represents nearly 1.3 million workers nationwide.

UFCW represents hard-working men and women who work in highly regulated industries including the emerging legal cannabis industry. Our cannabis members can be found across multiple states in growing and cultivating facilities, manufacturing and processing facilities, and in laboratories and dispensaries. Wherever cannabis is legalized, the UFCW is committed to building family sustaining jobs and a strong, diverse and skilled workforce.

UFCW supports HF 600 and I encourage members of the committee to vote in favor of its passage today. This is an opportunity for the state of Minnesota to create an industry that is good for workers from its inception. Requiring a labor peace agreement as a condition of licensure and renewal protects businesses, workers and consumers and would provide an effective regulatory tool for the state to ensure equity and safety in this emerging industry.

It is no surprise that multiple other states have chosen to include labor peace requirements for cannabis licensure. California, New Jersey and New York all require cannabis operators to sign agreements requiring labor peace. Pennsylvania and Illinois incentivize operators with a merit-based system that gives points for labor peace agreements. Each of these states faced similar questions and arguments about labor peace and each of these states, their legislators and legislative counsel agreed that labor peace requirements in cannabis was good and consistent with state and federal law.

What is labor peace?

Labor peace is not forced unionization, it simply levels the playing field. A labor peace agreement is an agreement between an employer and labor organization that imposes obligations on both parties. Such agreements are intended to protect the government's proprietary interests by prohibiting labor organizations and members from engaging in strikes, boycotts, picketing and any other interference with the employer's business. In return, the employer is obligated not to interfere with efforts by the labor union to communicate with, and attempt to organize and represent, the employer's workers.

Quality Jobs and Wages

The emerging cannabis industry is a job generator and we want those to be good paying jobs. According to a recent study by an industry analyst, the legal marijuana industry added 77,000 new jobs in 2020. Nationally, the industry supports about 321,000 jobs, a 32-percent increase over the previous year—at a time when the broader economy shrank by 3.5 percent.ⁱ

Studies have shown that unionized workers enjoy wages 27% higher than their non-union counterparts and pay far less for medical and retirement benefits.ⁱⁱ Workers overall satisfaction in their job is tied to the ability to support themselves and their families financially. A workforce entrenched in financial hardship is less likely to perform well on the job.

The work unions have done on behalf of workers in the state of Minnesota has led to a culture that values organized labor and the right to organize free from interference. Labor peace agreements reinforce that culture of worker voice and allow workers to collectively bargain for higher wages.

Labor peace agreements can help address the existing disparities in the market by providing equal opportunities for women, people of color, LGBTQ individuals, veterans, and people with disabilities to own businesses or work within the industry. Access to representation helps ensure that a broad range of workers can benefit from the fledgling industry, especially workers from communities that have been disproportionately impacted by cannabis prohibition in the past.

Worker Turnover

Unions in general enhance worker job satisfaction and lead to higher productivity, higher quality of output and lower turnover.ⁱⁱⁱ A study of a labor peace requirement, and other employment requirements, at the San Francisco Airport, concluded that the requirements “dramatically reduced turnover, improved worker morale and [resulted in] greater work effort.”^{iv} A workforce comprised of union members is characterized by reduced turnover, which in turn saves the business money in the long term because less money will be spent on frequent training and induction of new employees.^v That is why localities require labor peace in other industries such as hotels and airports.^{vi}

ⁱ <https://thehill.com/homenews/state-watch/539242-legal-marijuana-jobs-booming-study-finds>

ⁱⁱ <https://www.ilcannabisunions.com/workers/>

ⁱⁱⁱ Christos Doucouliagos and Patrice Laroche, “What do unions do to productivity? A meta-analysis,” *Industrial Relations*, 42:4 (2003)

^{iv} <https://irle.berkeley.edu/files/2003/Living-Wage-Policies-at-San-Francisco-Airport.pdf>

^v Paula B. Voos, “How Unions Can Help Restore the Middle Class,” Testimony given to the Senate Committee on Health, Education, Labor and Pensions, March 10, 2009. Transcript available at: https://www.epi.org/publication/how_unions_can_help_restore_the_middle_class/

^{vi} https://www1.nyc.gov/assets/home/downloads/pdf/executive-orders/2016/eo_19.pdf

Health and Safety

Workers face many health and safety risks in the cannabis industry. From exposure to abnormal heat levels, chemicals, and repetitive stress injuries and other injuries on the job. There is not much research or data on what makes a cannabis workplace safe because researchers are still reluctant to study this quasilegal industry. But UFCW knows what works in other retail environments and has developed cannabis working safety training. In 2019, UFCW coordinated the first-ever OSHA safety training with cannabis workers in California.^{vii} Labor peace agreements would secure safe working conditions and protect the health and wellbeing of workers and consumers. A well-trained workforce will be able to produce quality products that meet product safety standards.

The emerging Minnesota cannabis industry presents an unparalleled opportunity to build a new kind of industry for Minnesota, one that recognizes the importance unions play and gives workers an opportunity to exercise workplace democracy to improve both the industry and Minnesota communities. Policymakers must embrace principle of workplace democracy from recruitment to career advancement and one strong mechanism to do so is the labor peace agreement.

In conclusion, UFCW supports an adult use cannabis industry in Minnesota that will create sustainable jobs for families for the foreseeable future. Our experience is that labor peace agreements are an effective way to achieve that. Labor peace agreements will reward responsible businesses and ensure that Minnesota's cannabis industry is driven by companies committed to making long-term investments in local communities.

Thank you for the opportunity to speak with you today about an issue important to Minnesota's working families.

^{vii} Cannabis Industry Journal, [9/6/2018](#)