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March 22, 2022

Representative Tina Liebling, Chair
Committee on Health Finance and Policy
409 State Office Building
St. Paul, MN 55155

UFCW Local 1189 represents 10,000 members who work in retail food, food service, food processing, healthcare, and Minnesota's medical cannabis industry. UFCW Local 1189 supports amendments to H.F. 4387 to provide for labor peace agreements for medical cannabis operations and licensing.

UFCW represents hard-working men and women who work in highly regulated industries including the medical 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. UFCW is committed to building family sustaining jobs and a strong, diverse, and skilled workforce.

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 medical cannabis industry is a job generator, and we want those to be good paying jobs. Studies have shown that unionized workers enjoy wages 27% higher than their non-union counterparts and pay far less for medical and retirement benefits.¹ 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.

¹ <https://www.ilcannabisunions.com/workers/>

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.

Worker Turnover

Unions in general enhance worker job satisfaction and lead to higher productivity, higher quality of output and lower turnover.² 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.”³ 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.⁴ That is why localities require labor peace in other industries such as hotels and airports.⁵

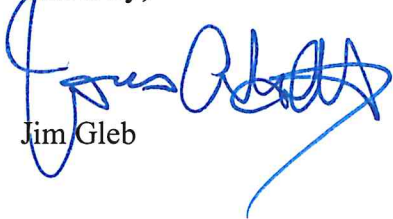
Health and Safety

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.⁶ 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.

Policymakers must embrace the principle of workplace democracy from recruitment to career advancement and one strong mechanism to do so is the labor peace agreement.

UFCW 1189 supports a medical 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.

Sincerely,



Jim Gleb

² Christos Doucouliagos and Patrice Laroche, “What do unions do to productivity? A meta-analysis,” *Industrial Relations*, 42:4 (2003)

³ <https://irle.berkeley.edu/files/2003/Living-Wage-Policies-at-San-Francisco-Airport.pdf>

⁴ 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/

⁵ https://www1.nyc.gov/assets/home/downloads/pdf/executive-orders/2016/co_19.pdf

⁶ Cannabis Industry Journal, [9/6/2018](#)