



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

before the

**Labor and Industry Finance and Policy Committee
Minnesota House of Representatives
January 26, 2023**

regarding

HF 100-Adult Use Cannabis Legalization Act

Good afternoon, Chairman Nelson, and members of the Labor and Industry 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 families 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 100 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 cannabis workers from its inception. Requiring a labor peace agreement, also referred to as an LPA, as a condition of licensure and renewal protects the state, workers, and consumers, and would provide an effective regulatory tool to ensure equity and safety in this emerging industry.

What is labor peace

Labor peace is not forced unionization, it simply levels the playing field for workers. 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 state'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 adult use cannabis market in Minnesota has the potential to produce \$1.12 billion in sales, create 20,000 new jobs, and \$300 million in state tax revenue.ⁱ Labor peace agreements can ensure that these jobs will be well paid, safe, and family sustaining. Studies have shown that cannabis unionized workers in processing and retail make 28% and 10% higher wages than their non-unionized equivalents.ⁱⁱ

This is also an opportunity to counter the war on drugs, by providing a good paying job for women, people of color, LGBTQ individuals, and veterans that have been disproportionately impacted by cannabis criminalization in the past. 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 and is not sustainable.

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}

Health and Safety

Workers face many health and safety risks in the cannabis industry. From exposure to abnormal heat levels, chemicals, 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} This training helped create an OSHA Cannabis curriculum that is state specific, industry specific, and meets the needs of workers. This training can serve as a model for states around the country. We know

ⁱ <https://www.minnpost.com/state-government/2019/11/expert-recreational-marijuana-in-minnesota-could-bring-in-300-million-in-taxes/>

ⁱⁱ <https://www.epi.org/publication/ensuring-the-high-road-in-cannabis-jobs/>

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

^{vii} Cannabis Industry Journal, [9/6/2018](https://www.cannabisindustryjournal.com/2018/09/06/)

that 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.

What have we learned in other states?

Labor peace agreements exist in other state cannabis laws. California, Connecticut, New Jersey, New York, and Rhode Island all require cannabis operators to sign agreements requiring labor peace agreements. Pennsylvania and Illinois incentivize operators with a merit-based system that gives points for labor peace agreements.

The UFCW has been leading the charge on worker friendly cannabis policy from the passage of cannabis legalization all the way through the creation of a regulatory framework and implementation. UFCW has seen employers in other states create illegitimate company unions to circumnavigate statute and fail to honor the ongoing terms of labor peace agreements.

What 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 a culture of worker voice and allow workers to collectively bargain for higher wages.

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.