



# NEGOTIATIONS 2009

In the news...

**Bakery, Confectionery, Tobacco Workers & Grain Millers**

**Local 154-G**

**Kellogg Canada Inc.**



**London Free Press**



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## New deal in Kellogg dispute

Mon, June 29, 2009

By [NORMAN DE BONO](#), LONDON FREE PRESS

There is a new deal in the Kellogg's Canada lockout.

The American food giant and the 488 members of the Bakery Confectionery Tobacco Workers and Grain Millers Local 154-G bargained another tentative agreement, the second one after the first was rejected last week by the members.

"Kellogg Canada is pleased . . . it has reached a new tentative agreement with the (union) that has been fully endorsed by the union leadership to its membership," read a statement released this morning by the company.

"The central issue in these negotiations has been to strengthen the London plant's competitiveness and help to ensure its future viability."

The ratification vote will take place Tuesday morning.

Union official Phil Hames, a lockout captain, confirmed the deal bargained Friday night but declined comment on any details.

Kellogg said in a statement last week the London plant has lost 35% of its production in recent years and is in danger of losing more unless it cuts costs, adding that the cost of making cereal here has to come closer to that of its U.S.-based plants or it will ship more of its cereal production and London jobs south of the border.

The company places the increased cost of production in London on the weekend shift — where about 100 workers work 12-hour shifts Saturday and Sunday at overtime pay and don't work the rest of the week, meaning they get paid for 42 hours of work.

The first tentative deal was rejected by the union June 19 as it proposed scrapping the weekend shift. It also offered a 7% wage increase over three years, and improvements to the pension and benefit plan.

Scrapping the weekend shift was a key issue in the lockout.

Kellogg locked out its unionized London workers June 5.

The plant was down four weeks last year during which there was no production and workers were laid off. Another seven down weeks were scheduled this year.

The plant recently cut 11 salaried jobs and more than 20 hourly workers are on layoff.

<http://lfpres.ca/newsstand/Business/2009/06/29/9971406.html>

## Production costs core of Kellogg plant lockout

Wed, June 24, 2009

By [NORMAN DE BONO](#), LONDON FREE PRESS

Kellogg Canada's London plant has lost 35% of its production in recent years and is in danger of losing more unless it cuts costs, the cereal maker said.

Frustrated by the rejection of its tentative deal with the union, the U.S.-based food giant said the cost of making cereal here has to come closer to that of its U.S.-based plants or it will keep shipping its cereal production south of the border and cutting London jobs.

"One of the contributing factors negatively impacting the London plant is its overall labour costs, driven by its inefficient crewing system," read the statement from Christine Lowry, vice-president corporate affairs for Kellogg Canada Inc.

"(A) costly and inefficient shift structure is unique to the London plant and is not competitively sustainable."

The company places the increased cost of production in London on the weekend shift -- where about 100 workers work 12-hour shifts Saturday and Sunday at overtime pay and don't work the rest of the week, meaning they get paid for 42 hours of work.

"Within our North American cereal manufacturing network, the London plant is the only facility to use this type of shift structure and, as a result, it negatively impacts the London plant's labour costs," read the statement.

"These high labour costs are a key factor in driving down the competitiveness of the London plant, resulting in a 35% decrease in cereal production being allocated to it from the network over the past four years."

Kellogg locked out its 488 unionized London workers June 5.

The union has asked the company whether its lost production will come back if they get rid of the weekend shift and was told the company will not make that promise, said Bob Martin, president of The Bakery Confectionery Tobacco Workers and Grain Millers Local 154-G.

"We have been told we are not viable with that shift, but we won't get more production without it -- so how do I sell that to my members?" said Martin.

Martin also rejected the statement the lost production comes from scheduling issues at the plant. The high cost of the Canadian dollar has hurt and Canada used to have a "million-dollar" advantage buying sugar from Cuba, but that has also decreased in recent years, he pointed out.

But the shift issue remains central to the company's bargaining position and jobs will be lost until it is scrapped, said Lowry.

The plant was down four weeks last year during which there was no production and workers were laid off. Another seven down weeks were scheduled this year.

The plant recently cut 11 salaried jobs and more than 20 hourly workers are on layoff.

The tentative deal rejected by the union included the company's acceptance of a union proposal for an early retirement provision -- 67 positions over the three-year contract. That was in addition to another 25 positions that would have become eligible for retirement.

Officials from the union's U.S. office arrived in London yesterday to help with bargaining and the union will meet with the company tomorrow, but no bargaining is scheduled, Martin said.

<http://lpress.ca/newsstand/News/Local/2009/06/24/9908776-sun.html>

## Workers bolstered by protest convoy

Mon, June 22, 2009

**KELLOGG LOCKOUT: Workers' union says it's ready to talk again; cereal giant says high labour costs hurting London plant**

By [KATE DUBINSKI](#), LONDON FREE PRESS

Two days after they rejected a company offer, locked-out workers at Kellogg Canada's London plant got a morale boost from an Ontario Federation of Labour caravan winding its way across the province.

"We're with you in your struggle and we will not tolerate blatant corporate greed," said Patti Dalton, president of the London and District Labour Council.

As more than 200 union members, supporters and their families waved flags and signs and picket placards, the caravan -- on a province wide tour since the start of June to find out how the recession is affecting working people -- pulled up to the Kellogg plant to cheers and shouts.

The 488 Kellogg workers, members of the Bakery, Confectionary, Tobacco and Grain Millers union, Local 154-G, were locked out June 5.

Friday, union members voted against a tentative contract agreement that would have given workers a 7% salary increase over three years and improvements to the pension and benefit package.

But it also would have cut more than 100 jobs, eliminating the weekend shift where 105 senior workers work 12 hours Saturday at time-and-a-half pay and 12 hours Sunday at double time. They don't work the rest of the week, having earned the equivalent of 42 hours straight pay.

That would have seen 105 with the least seniority laid off and the rest of the workforce shifted into working weekends on a rotating basis

Union local president Bob Martin told supporters the union wanted to keep working and didn't want to be locked out.

The U.S. cereal giant, based in Battle Creek, Mich., said on the weekend it "regrets the decision" by workers not to accept the offer.

But Martin said the union will continue to fight for an equitable contract.

"This caravan shows you where the labour movement is. People say we're in trouble -- I say we're not," he told the crowd. "My goal is to get back to the table for something we can live with. Battle Creek has our number and we're ready to go back to the table."

London's Kellogg plant makes about 65 million kg. of cereal a year, down from 100 million kg. in 2005.

Kellogg says its goal is to become more competitive "and help ensure its future viability." High labour costs are hurting the plant, it says.

<http://lpress.ca/newsstand/News/Local/2009/06/22/9883716-sun.html>

## Locked-out workers reject Kellogg offer

Sat, June 20, 2009

The cereal giant's London workforce has voted against a deal that its union says would cost 100 jobs

By [NORMAN DE BONO](#), LONDON FREE PRESS

Kellogg's workers are staying out on the picket line.

The locked-out employees of the U.S. cereal giant's London plant turned down a tentative deal yesterday, sending the company and union back to the bargaining table.

"It is very frustrating dealing with a company as profitable as they are who want to change the lives of its workers without good reason," said Bob Martin, president of the Bakery, Confectionery, Tobacco and Grain Millers union Local 154-G.

There were 453 union members at the meeting yesterday and 290 voted against the tentative agreement.

"That is a pretty solid rejection number," Martin said.

The deal offered workers a 7% salary increase over three years and improvements to the pension and benefit package, but it also would have cut more than 100 jobs from a total of 488, Martin said.

That cut would have meant the elimination of the "weekend shift" where 105 senior workers work 12 hours Saturday at time-and-a-half pay and 12 hours Sunday at double time. They do not work the balance of the week, having earned the equivalent of 42 hours straight pay.

That would have seen 105 with the least seniority laid off and the balance of the workforce shifted into working weekends on a rotating basis, Martin said.

"The top 100 were unhappy, the bottom 100 were unhappy, the middle guys didn't like it because they had to work overtime. I told them at the table I would not be able to sell this," he said.

"Let's just say it left a bad taste in their mouths."

In a prepared statement, Kellogg said it will weigh its options after the vote.

"Kellogg Canada is disappointed that the employees at its London, Ontario plant have voted not to accept the latest offer recommended by their union leadership. We will be reviewing our options and next steps over the weekend," said a message from company spokesperson Penny Savoie.

The Kellogg plant will be a rallying point tomorrow for an Ontario Federation of Labour caravan.

Ontario NDP Leader Andrea Horvath will lead the convoy touring 50 Ontario communities this month protesting job cuts and plant closures.

The caravan will meet at the plant at 2 p.m., said Patti Dalton, London and District Labour Council president.

"We will have a mass show of solidarity, we will send a strong message. Corporations think it's open season on unions, and if they think we will just sit and take it, we will not," Dalton said.

"We are solid, stronger than ever."

Information on the caravan can be found at [www.drivetowork.ca](http://www.drivetowork.ca)

The local Kellogg plant manufactures about 65 million kilograms of cereal a year, down from 100 million kilograms in 2005.

But cereal demand and Kellogg profits remain high, as London workers have seen production here shifted to American plants, and there hasn't been a drop in demand, Martin said.

<http://lfpres.ca/newsstand/News/Local/2009/06/20/9868836-sun.html>

## **LABOUR: Workers have been locked out since June 5**

June 16, 2009

### **Deal may soon end Kellogg lockout**

Hank Daniszewski, The London Free Press

Locked-out workers at the Kellogg plant in London could soon be back on the job after a tentative deal on a new contract was reached yesterday.

The 488 workers, members of the Bakery, Confectionary and Grain Miller union, have been locked out since June 5 and have been without a contract since April 4.

No details on the tentative deal were released and a ratification vote is scheduled for Friday.

In the meantime, the workers maintain a picket line in front of the Dundas St., East plant.

Kellogg spokesperson Christine Lowery said the central issue in the contract negotiations is to "strengthen the plant's competitiveness and help to ensure its future viability."

But union officials said Kellogg is using the recession as an excuse to get contract concessions from workers even though the company has maintained sales and profitability.

Last Thursday, the union charged that buses crossing the line were carrying replacement workers. The company said the people in the buses were salaried staff.

<http://lfpres.ca/cgi-bin/publish.cgi?p=267637&x=articles&s=careers>

## **Kellogg lockout: Talks expected Wednesday**

**Mon, June 8, 2009**

By [KATE DUBINSKI](#), LONDON [FREE PRESS](#)

Kellogg Canada's 480 locked-out workers in London plant were still picketing the cereal giant's plant yesterday, amid expectations the two sides in the contract dispute will meet again Wednesday.

"People are standing together and hoping for the best," said Shara Nichols, a locked-out warehouse worker.

"The workers — members of the Bakery, Confectionary, Tobacco Workers and Grain Millers union — were locked out just before midnight Friday, and today delayed managers' movements.

The union's contract expired April 4, with more than 20 negotiating sessions held since Feb. 10.

"We are hopeful that the work disruption will be brief and that an agreement is within reach to help ensure the future viability of the London plant," said company spokesperson Christine Lowry.

<http://lfpres.ca/newsstand/News/Local/2009/06/08/9730251.html>

## Picket line heats up

Fri, June 12, 2009

By [NORMAN DE BONO](#), THE LONDON FREE PRESS

Locked-out workers at London's Kellogg Canada plant charged yesterday replacement workers are being bused across the picket line, a claim the company denies.

Workers on the line said buses crossing the line earlier this week carried managers, but yesterday the windows were blacked out and pickets did not recognize those who got off the bus.

"The company is denying the allegation. I asked them point blank, and they told me it is not happening. But I have members telling me that it is," said Bob Martin, president of the Bakery, Confectionery, Tobacco Workers and Grain Millers Union, Local 154-G.

Kellogg officials did say they will not have buses entering the plant today as a sign of goodwill, said Martin.

Workers say they followed the bus when it left the plant yesterday at 12:30 p.m. and when it unloaded its passengers at the former Sam's Club store in north London, replacement workers were on board.

Penny Savoie, Kellogg spokesperson, also denied the allegation.

"The individuals being bused across the picket line today at our London plant are salaried workers. Our main focus is on quickly resolving the outstanding issues and we are hopeful that the work disruption will be brief and that an agreement is within reach," she said in a statement.

The union and company remained at the bargaining table yesterday and are expected to return today, said Martin.

"It is tough. Any time you have workers walking outside the plant it is difficult, but once they locked us out the dynamics changed," he said.

The London and District Labour Council also has thrown its support behind the locked-out workers, saying cereal sales remain strong, and the lockout is the company's attempt to cash in on an economic downturn.

"This is an example of blatant corporate greed. It is shameful. The labour council stands in total support with the local and we will do everything we can to support them," said council president Patti Dalton.

Tim Carrie, president of Canadian Auto Workers, Local 27, said his union is prepared to bolster the picket line by sending in workers from its plants, to make sure buses do not cross.

"This is becoming a tense situation. We have asked all our members to support the picket lines at Kellogg. If they are using scabs, it is a declaration of war on workers," said Carrie.

Martin declined comment on what issues are on the table, but said the union's proposals centre around job security.

"We have a big concern over job losses in the plant," he said.

Kellogg in London employs 488 unionized workers and 80 salaried staff. It recently cut about 11 salaried jobs and there are more than 20 hourly workers on layoff.

The plant has been shut down for two weeks so far this year, in April and May, five more weeks are scheduled for the rest of the year, said Martin.

While demand for Kellogg cereal is up, the plant has lost production to plants in the U.S., said Martin.

<http://lfpres.ca/newsstand/Business/2009/06/12/9771951-sun.html>

## Labour impasse sparks Kellogg's lockout

Sat, June 6, 2009

By [PATRICK MALONEY](#), THE LONDON FREE PRESS

Kellogg Lane is thick with pickets this weekend after workers were locked out of the cereal giant's Old East factory.

In a statement obtained by The Free Press, the union says negotiations for a new collective bargaining agreement have been ongoing since April and the company locked out 480 workers at 11 p.m. Friday.

"Kellogg negotiators have suggested that during these tough economic times, we should be happy to have a job, comparing our situation to the ailing auto sector," reads the statement from Local 154-G of the Bakery, Confectionary, Tobacco Workers and Grain Millers (BCTGM) union.

The union's view, though, is that Kellogg "has consistently earned profits of more than \$1 billion annually" and this year looks no different.

"We are not the auto sector. The corporation is not in danger of going bankrupt."

A Kellogg official told The Free Press on Saturday that the "legal lockout" commenced hours after the union rejected an offer from the company.

"Kellogg Canada regrets that the company and its union have been unable to resolve key contract issues," a statement read.

"The company remains hopeful that the work disruption will be brief and that a fair and equitable agreement can be reached."

There are pickets standing along Dundas Street and at the factory's main gates, which as of Saturday morning were still padlocked shut.

"It's organized, we have picket teams," worker Phil Hames said of the demonstration.

The 11 o'clock shift of workers arrived Friday night to find the doors locked, he said.

The collective agreement expired in April, as have two contract extensions since then.

The union suggests these negotiations are more contentious than past ones and says it is "seeking modest gains to the wage and benefit package."

The company's history in London began in 1924, when its founder bought the Canada Corn Co. and started making his cereal here.

The plant was producing 750,000 cartons of cereal a day as of 2006.

<http://lfpres.ca/newsstand/News/2009/06/06/9699411.html>