

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>