



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

before the

**Minnesota Senate Labor Committee
March 2, 2023**

regarding

SF 73-Cannabis Regulation Act

Good afternoon, Chair McEwen, and members of the Senate Labor Committee. I am here today on behalf of the United Food and Commercial Workers International Union (UFCW), 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. Thank you for the opportunity to speak with you today about an issue important to Minnesota's working families.

Nationally, UFCW represents over 1.3 million 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 SF 73 and I encourage members of the committee to vote in favor of passage today. This is an opportunity for the state of Minnesota to shape an industry from the onset. 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.

It is no surprise that multiple other states have chosen to include labor peace requirements for cannabis licensure. California, Connecticut, New Jersey, New York, and Rhode Island 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 legislature and legislative counsel agreed that labor peace requirements in cannabis were 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. The work unions have done on behalf of workers in the state of Minnesota has led to a culture that values organized labor and not impeding on the right to organize free of interference. Labor peace agreements reinforce that and allow workers to collectively bargain for higher wages. Recent studies have shown that unionized workers enjoy wages 27% higher than their non-union counterparts and pay far less for medical and retirement benefits.ⁱ 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, which would lead to a drop in worker morale.

Worker Turnover

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."ⁱⁱ Unions in general enhance worker's job satisfaction and consequently employees are more willing to work harder leading to higher productivity and quality of output.ⁱⁱⁱ A workforce comprised of union members is characterized by reduced turnover, which in turn saves the business money in the long term with less spending on frequent training and induction of new employees.^{iv} That is why localities require labor peace in other industries.^v

Health and Safety

Workers face many health and safety risks in this new industry. From exposure to abnormal heat levels, chemicals, and burdensome task that after long term exposure, lead to injuries on the job. Labor peace agreements would secure safe working conditions and protect the health and wellbeing of workers and consumers. Workers also have a voice and the ability to have a seat at the shape training standards on a quarterly basis. A well-trained workforce will be able to produce quality products that meet product safety standards.

In conclusion, UFCW supports a recreational 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

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

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

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

^{iv} 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/

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

businesses and ensure that Minnesota's cannabis industry is driven by companies committed to making long-term investments in local communities.

The rising 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 in order to build a shared culture of protecting workers right to organize. One strong mechanism to do so is the labor peace agreement.

Thank you for the opportunity to comment.