



March 4, 2024

ATTN: Representative Greenman and Senator Oumou Verbeten  
Minnesota State Capitol, 10 State Office Building  
75 Rev Dr Martin Luther King Jr Boulevard.  
St Paul, MN 55155

Dear Rep. Greenman and Sen. Oumou Verbeten,

We are writing to you in support of the worker misclassification legislation you sponsored HF 4444/SF4483. The United Food and Commercial Workers (UFCW) Local 663 and Local 1189 represent nearly 24,000 frontline professional workers and their families in grocery stores, meat processing, retail shops, and healthcare facilities across Minnesota. We strive to improve the lives of our members and of all working families by fighting for economic, political, and social justice in our workplaces and communities.

HF4444/SF4483 will strengthen enforcement, allow for partnership between state agencies, and enhance penalties including a private right of action as a remedy for workers that are misclassified by employers.

The food retail industry in Minnesota employs over 121,000 Minnesotans, with 42,000 in food manufacturing, over 15,000 in animal slaughtering, 42,000 in grocery stores, and 21,000 at convenience stores.<sup>i</sup> Technology is constantly changing the relationship between consumers and workers in the food retail industry. The rise of grocery delivery platforms is called an “innovative industry disruption” by companies these technologies are not new and if not well regulated will be just another attempt to lower labor costs and cut the number of jobs in Minnesota.

Companies like Instacart (food delivery, retailer shopping and same-day delivery), DoorDash (food, retailer shopping and same-day delivery), Grubhub (food delivery), Target-owned Shipt (retailer shopping and same-day delivery), and Jyve (in-store stocking, merchandising, product assembly for retailers), are simply taking advantage of regulatory loopholes to exploit workers.

Food delivery does not have to be done by independent contractors. Grocer-owned delivery services like Peapod (a service of grocer Ahold-Delhaize) are examples of grocery employers properly classifying their employees. Workers at these stores are employees of the company, drive refrigerated company delivery trucks, have all the benefits of employment, and in many cases have the benefit of a union-negotiated collective bargaining agreement. Workers in the gig food delivery industry do not receive any of these benefits and do not receive any formal food safety training.

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<sup>i</sup> <https://www.mngrocers.com/industry/>

The rise of grocery delivery and “gig” outsourcing in the food retail sector has lowered wages and increased precarity for workers. In 2020, reported gig work earnings in the Twin Cities Metro were a little more than \$17,800 a year. In 2022, they were about \$10,500, or a 41% drop.<sup>ii</sup> This trend undermines the traditional advantages of incumbent food retailers and allows “gig” companies to create an underclass in the labor market.

Misclassification hurts Minnesota workers by lowering wages and denying them benefits. Minnesota has an opportunity to be a leader on this issue amongst the states, and this committee’s proposal would be a first step towards creating better protections for workers. The technological advances made in the grocery industry are a benefit to both consumers and food retailers, but there is no reason why technology should trump the rights of workers to fair wages, benefits, and the right to form a union.

UFCW Local 663 and Local 1189 stand in solidarity with workers in every Minnesota industry including trades, transportation, building services, and entertainment in support of this proposal. This first step is a great opportunity to begin to address a systematic issue that exploits workers across multiple industries.

Thank you.

Sincerely,



Rena Wong  
President  
UFCW LOCAL 663



Jim Gleb  
President  
UFCW LOCAL 1189

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<sup>ii</sup> <https://www.cbsnews.com/minnesota/news/digging-into-the-disappointing-numbers-of-gig-work/>