

This letter was sent via email to management on 9-27-17.

To the mediator and negotiating committee members:

The Foster Farms representatives are not negotiating in good faith for several reasons. One is compensation discrimination, and another is that we are not making any gains in compensation. In fact we are going backwards. How is this possible? Compare the labor agreements between the Modesto and Fernbridge facilities, and the differences between the two plants. Also compare the actions of management.

The union/labor negotiating committee acquired a copy of the contract with the plant in Modesto. In this contract on page 46, it gives the job description of a bracket IV Junior Clerk, which reads as follows:

Under close supervision, performs the least responsible clerical work of a simple, routine and repetitive nature. Beginning jobs requiring a minimum of previous experience and training. Tasks include, but are not limited to, filing and general typing, making copies, simple arithmetic calculations, prepare mailing packets.

On September 1, 2009, the Junior Clerk position paid \$19.16 per hour (see page 45). This is the lowest paid employee in the Modesto plant, and this is what they paid 8 years ago. By comparison, the Humboldt Creamery plant currently pays their bracket one employees \$19.04 per hour. What does this mean? It means that all personnel, bracket one or lower, are paid less than a Junior Clerk was making 8 years ago. So the company has made a significant amount of money for nearly a decade due to lower wage costs.

What does Foster Farms offer now? Their best last and final offer is to give the Creamery employees a raise of \$1.30 per hour over a period of three years, which seems reasonable until you analyze the rest of the compensation package.

Despite an increase in hourly wages and retirement contributions, they are going to take money from us in the medical portion. During negotiations, they proposed payroll deductions of \$81.00 each pay period. And they have also proposed increased deductibles and co-pays and low percentage caps (this will be devastating for employees who have health issues or a family member who does). If we recall correctly, they are reducing the cost of medical compensation by approximately \$2.96 per hour. So essentially, we are going backwards in our compensation.

Humboldt employees will effectively make less than our current wage despite the wage increase. A bracket one employee will receive a .45 cent raise (excluding pension increase), which raises their wage to \$19.49 and the company will take \$2.96 per hour in medical compensation. In terms of real wages, their hourly rate for a bracket one employee comes to \$16.53.

On September 3, 2017, Foster Farms are paying their Junior Clerk \$21.86 per hour. How does this compare to what a Humboldt Creamery bracket one employee will make in 2017? The Junior Clerk will make \$5.33 more per hour. The Custodial/ Janitorial employees in Modesto are making \$22.50 per hour, which is a difference of \$5.97 per hour. So Humboldt Creamery employees with far more responsibility are paid significantly less than a highly supervised menial worker in Modesto.

Foster Farms has no legitimate defense for the discrepancy in wages. There is no statistical difference in the cost of living between here in Humboldt County and there in Modesto. The company cannot state that there is a difference in skills, effort, responsibility, or work conditions (nor has the company stated that they cannot afford to pay us more). So if there is no way to differentiate, why is the company making no effort to try to close the gap between the Modesto plant and Humboldt Creamery?

Humboldt Creamery made achievements prior to the Modesto plant. Humboldt Creamery achieved SQF certification before the Modesto plant, and our lab is state certified, while the Modesto plant is not state certified. But our lab employees are also paid significantly less than the lab technicians in Modesto. A while ago, the lab had employees requiring medical care, so a Modesto lab technician that was temporarily filling in saw our contract and stated that they make substantially more than our lab technicians. Why?

The company also fails to recognize differences in experience or licensing. A few months ago, a lab employee had a conversation with Mr. Walter Mendez regarding the company paying employees in the maintenance department for their licenses and experience pay for Grade B operators.

The employee argued that a lab technician with several licenses is making the same as someone putting lids on ice cream containers. So why would anyone want to come into the lab, which requires taking tests, annual evaluations by state employees, and being personally liability for errors? This means that the lab technician could be sued individually and lose their license(s). Why would anyone want to be held accountable and liable for errors or the errors of others without compensation? It only seems reasonable to compensate individuals with licenses for each license they have acquired.

This employee also stated that an employee who has years of experience and training should be compensated for their knowledge and experience. New employees should not be making the same wage as someone who just started and needs to be trained. In other words, a journeyman with 23 years of experience should make more than a new hire /apprentice on his first day of work. This is a practice that has been implemented in both the maintenance department and with Grade B operators.

Mr. Mendez agreed with this lab technician, and Mr. Mendez stated that, “we need to help him fight for it. And here he is fighting to avoid paying employees under his authority the absolute least he can. In fact, he hired an out-of-state attorney and another employee whose main contribution to society is to provide management with contract negotiating strategies. During negotiations, Mr. Mendez ignored these topics completely. It is glaringly apparently, Mr. Mendez did not keep his word, as there is no compensation for experience and licenses.

In addition, California's mandatory minimum wage is going to impact our negotiations. California is going to raise minimum wage to \$15 per hour by 2022 ( for companies with more than 26 employees). Economists recognize that this will raise the cost of all goods and services. This is going to make it even more difficult to support our families.

On September 21, 2017, Mr. Otis sent an email on teamwork stating, “we win as a team or we lose as a team!” Humboldt Creamery employees may wear the same uniform, but we certainly are not being remunerated the same as Modesto employees. So explain how we are on the same team?

One of the cornerstones of our society is equal pay for equal work. It is a commitment to equality, fairness, and ensuring that every worker has a fair chance to succeed in the workplace. What happens when an employee discovers a disparity in pay with their co-workers? Employees who learn that they are being paid unfairly become frustrated and even demoralized or angry. Because of the inequity between the two plants, we feel corporate management treats us like red-headed stepchildren. This lack of equality is unethical and lacking integrity.

The company should immediately implement comprehensive policy solutions to promote greater fairness in the workplace, eliminate discriminatory pay practices, and reduce pay disparities that are essential to ensure all workers are paid fairly. Ensuring equal pay for equal work is an important priority that calls for real action—not just rhetoric.

According to Marcus Lemonis, what are three of the top ten rules for success? Rule one: As a owner or manager, don't be an ass. Rule two: Make your employees number one—and they will take good care of your customers. Rule seven: Be transparent. Transparency would have eliminated the pay disparity simply by disclosing the company's pay practices. Hopefully, management will act quickly to rectify the pay inequality.

Sincerely,

Dale Wohlwend, on behalf of

Humboldt Creamery employees

P.S. The first page was written prior to yesterday's negotiations. Regardless, there still exists a significant disparity in pay between the two plants.