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Rotten Apples, Core Values

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Williamson, New York

Dan Yates is one of a half-dozen people in North America who cook Mott's Original Apple Sauce. And in twenty-two years of service to the company, he never thought he'd be on a picket line. Braving the July heat, Yates stood in the shade by his pickup truck outside the plant in this town near Rochester, which, along with being the continent's exclusive maker of the brand's flagship product, also processes juices and drink mixers. A large-framed man sporting a Harley-Davidson T-shirt, Yates, like the nearly 300 workers on strike, is proud of his job but had no other choice but to walk out.

"As far as I'm concerned, they were personally attacking me," he said, recalling his decision to vote in favor of the strike in May, when the company demanded major union givebacks. "I knew I had everybody behind me, and we're all in it together."

The members of the one-shop Retail, Wholesale and Department Store Union (RWDSU) Local 220, which had never engaged in any type of militant action, began their strike with the belief that they were dealing with a company—the Dr Pepper Snapple Group, or DPS—that, despite posting whopping profits, was attempting to gut their benefits to enrich its executives even further. But in a country where private-sector union membership has hit historic lows and strikes have become rare, the picketers here in western New York say it's not just their jobs that are on the line. If DPS can get away with this, they believe, all other blue-collar workers in the middle class will be sitting ducks for what the strikers call "corporate greed."

Until 2008, Mott's was owned by Cadbury Schweppes, and as workers explained, there had been a family atmosphere at the plant for decades. Management gave workers hams at Easter and held an annual Christmas party. If workers exceeded production goals, managers organized hot dog roasts as a reward. And the union and management had an active work-safety committee. Local 220 secured pay increases in good times and made concessions when the company was in a crunch, veteran workers said.

Then Cadbury spun off the Plano, Texas–based Dr Pepper Snapple Group, which took the Mott's brand with it. From then on, everything changed at the Williamson facility. No more company parties, and safety committee meetings ended. Managers over-enforced work rules to the point of absurdity; one worker who had previously been the union local's president said he was fired for keeping a knife in his locker, even though he needed it during his shift to open boxes.

Then came contract talks this past February, and the company's opening proposal came as a shock. In addition to $3 per hour wage cuts across the board, it called for eliminating the pension for new employees, reducing the employer match on the 401(k) from 5 percent to 4 percent, and instituting a healthcare plan with higher co-pays and premiums. In addition, it would have allowed the company to shift workers through titles and wage scales from day to day. So a senior worker could come to work one day and do his or her regular task, and the next day be assigned to a low-level duty and earn a lower wage. "At that point, I knew it would be bad," recalled Local 220 president Mike LeBerth, a lead production technician.

Throughout the twenty-two bargaining sessions, the company made its intentions clear. At no point did its representatives say the company was in trouble and needed to cut operational costs to survive. Far from it—DPS posted a $555 million profit last year. So why was the company driving such a hard bargain? The way the union's bargaining committee saw it, the company knew unemployment in western New York was high, so it wanted to cash in on the suffering.

"They said that if we can't meet our finances on the contract they're offering us, then we need to sell our houses," said label operator and union bargaining committee member Bruce Beal, adding that a company official said that workers needed to think of themselves as commodities, like "soybeans or oil," and that as supply rises, the price goes down.

The company held firm on its proposal until days before the April 15 expiration date of the contract, when DPS said that if the union accepted new terms by the expiration date, it would cut benefits but leave wages untouched. If the union didn't, the company would declare an impasse and implement a wage reduction of $1.50 per hour.

The union didn't accept the offer, voting overwhelmingly to authorize a strike if no agreement could be reached. DPS then made one final pitch: if the union changed *its* proposal to a wage freeze and benefit cuts for the three-year contract, DPS would settle because it would have shifted the blame for the diminished contract onto the union. Local 220 walked out, and after its last offer—leaving benefits untouched but accepting a three-year wage freeze, plus a signing bonus—was rejected by DPS on May 21, the union began its strike at 6 am on May 23.

DPS's intransigence stands in sharp contrast to other employers who have encountered labor tension. Recent studies show that more employers, public and private, are opting for pay cuts over more benign furloughs; but usually an employer comes to the union, claims rising and unsustainable operational costs, and argues that if the union doesn't bite the bullet and make cuts, the company will have to downsize. LeBerth argued that Local 220 members would have accepted cuts if the company's survival was on the line.

"We can understand if the company needs it, we're willing to give concessions," he said. "But when a company's making money hand over fist, their CEOs are getting huge increases in wages, getting all kind of bonuses, should the people who are actually making the products—who make the money—take all the cuts and get stomped on?"

In a statement, DPS said, "The union contends that a profitable company shouldn't seek concessions from its workers. This argument ignores the fact that, as a public company, Dr Pepper Snapple Group has a fiduciary responsibility to operate in the best interests of all of its constituents, recognizing that a profitable business attracts investment, generates jobs and builds communities."

The company's claim is that the average wage for Mott's workers—$21 per hour—is high when compared with other jobs in the area. The union counters that the company is not making an "apples to apples" comparison by likening the employees to nonskilled workers in Rochester. RWDSU research shows that workers at food manufacturers in Wayne County, where Williamson is located, earn on average $25 per hour.

But the wage issue is a diversion, workers said, because the union agreed to a wage freeze on the condition that benefits also stayed untouched. It was a reduction in benefits, they said, that would have pushed them out of the middle class. As worker Kevin Young explained, a wage freeze wouldn't have been a huge problem, but because his wife is undergoing a variety of treatments for cancer and an autoimmune disorder, the reduced medical benefits would have made it impossible for him to make ends meet.

For a union that had never been on strike, it seemed that one person was able to band them together into action: Dr Pepper Snapple Group CEO Larry Young. In terms of representing a classist villain, Young has done the workers' job for them. His compensation package for 2009—the year before he demanded a gutting of company benefits—totaled $6.5 million. During the second month of the strike, RWDSU learned from an informant that the CEO was on a hunting trip in New Zealand. While Young insists that workers must downsize their living situations, his wife, Colette, runs an organization called ExecuMate, a support group for the spouses of high-powered executives.

The workers are in fear, but not just for their own livelihoods and the future of the region. Dozens of strikers said that if a profitable company can extract unlivable concessions from workers, it would encourage a new offensive on middle-class workers across the country. "America has just gotten to be where they want us to be like China and come down to these wages, and it's not going to happen," said LeBerth.

Stuart Appelbaum, who as RWDSU's international president has been criticized by commercial developers for his efforts to increase wages in New York City's retail industry, concurred. "People have a sense that this has become something bigger than themselves," he said. "This strike in Williamson, New York, has become a paradigm for what is happening in our country." He added, "You see working people living in fear of their jobs and in fear of whether or not they'll be able to keep their homes and how their families are going to survive, and they're being told to sacrifice so that those who have a lot already can get even more."

Unions outside RWDSU—the 1199/Service Employees International Union and the area's Central Labor Council—have contributed to the workers' strike fund. Forklift operator Jon Lefever said the contributions are more than gestures of solidarity. If Local 220 loses, then so will everyone else. "If this profitable company is going to try to stomp us out, who do you think is next?" he asked.

So far, about five workers have crossed the picket line and are working in addition to other replacement workers. But production is low. Thirty or fewer delivery trucks come a day; that number is usually more than 100. The company is currently "co-packing," putting a competitor's applesauce into Mott's packaging.

A DPS spokesman said, "The strike is not having a significant impact on our ability to meet the needs of our customers and consumers." But an informant tells the union that on July 31 only 4,033 cases were packed, versus about 120,000 per day prestrike, and other witnesses have claimed that they have seen loads of botched product being thrown away.

Until August, the plant relied on apples from storage, but this year's harvest has just begun, and the growers are nervous. According to Jim Allen, president of the New York Apple Association, more than 20 percent of apples in the state (New York is the second-largest apple-producing state, after Washington) are bought by Mott's, and 160 of the 700 growers sell to the company. "Right now there's tremendous concern that we're going to be in trouble in the fall," Allen said. "If the plant was not to operate, there would be a $100 million loss to the area in a heartbeat."

Allen doesn't take sides in the strike, but others do. Local stores are providing the strikers with food and supplies. New York attorney general and candidate for governor Andrew Cuomo—who has rankled public-sector unions by promising to reduce the state's workforce and by lashing out at state workers' pensions—openly supported the strike, along with other elected officials. The leader of Canada's New Democratic Party, Jack Layton, wrote to Young in June voicing food-safety concerns over imports made by scabs.

"Without the experience and training of permanent and long-term employees, we feel that the safety of the products produced at this facility could be compromised with these replacement workers," Layton said, noting that the party's deputy critic for food security and agriculture urged Canada's Food Inspection Agency to scrutinize imports from the Williamson plant.

There is a refreshing sense on this picket line that the workers are defending something that is quintessentially American. These are gun fans, proud military veterans and motorcycle riders who find happiness in a job well done—"salt of the earth" people, as one union official described them, as opposed to anti-establishment radicals. One active picketer explained that he had always been critical of unions like the United Auto Workers, which he thought demanded too much, but he believed DPS was attacking the "work ethic" of Local 220's members.

What this union wants is far from grandiose. Rather, these are Americans for whom Henry Ford–style industry has more or less worked. A company profited handsomely from the hard work of its employees, and in return they could sustain a middle-class income, which they used to shop in the local stores and invest in the rest of the community. In a sense, DPS is warring against an equitable form of capitalism.

Beal, like other picketers, believed that if the union continued to hold the line, Mott's would feel enough financial pain that DPS would be forced to return to the bargaining table, seeing that only a skilled workforce can make the company function. "I think they're finding out how much we're actually worth it," he said.

One three-decade veteran of the plant, who spoke on condition of anonymity, put it more bluntly as he gestured to an empty lot that normally would be full of activity. "If you mess with the bees," he said, "sooner or later you're going to get stung."

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