



# KROGER GROCERY WORKERS UNITED

The Unity Bargaining Newsletter  
for Region 4 Kroger Workers: Locals 75, 227, 700, 876, 951, and 1059

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## Local 876

Times may be tough in Michigan, but things are looking up for the Kroger Company—a fact UFCW Local 876 and its members believe will result in successful contract negotiations with the company next year.

“It’s easy to get caught up in all the gloom and doom with Michigan’s economic downturn and high unemployment rate, but all the news isn’t so bleak. The Kroger Company is doing very well, nationally and here in Michigan, and that’s great news,” Roger Robinson, Local 876’s president said. “When we sit down at the bargaining table next year, we won’t be sitting across from a company that is struggling like GM or Chrysler. We will be negotiating with Kroger, a profitable company with an exceptionally bright future, which puts Kroger in the fortunate position of being able to provide its workers with a fair contract.”

As it has for the last several years, leading grocery industry trade publication *Supermarket News* ranks Kroger as the number one grocery chain in America based on sales. And Kroger reported net earnings of \$435.1 million for the first quarter of fiscal 2009, compared to net earnings of \$386 million in the same period last year.

“We are glad to see that Kroger remains positive after receiving second quarter numbers, and that the company recognizes the important role their union employees play in their success,” Rob-

*Continued, page 3*



*Katherine Diamond, Local 876 Member*

## Local 75

UFCW Local 75 represents thousands of Kroger workers along the I-75 corridor, in Toledo, Springfield, Dayton, Cincinnati, Northern Kentucky, Southern Indiana and parts in between.

Most recently, Local 75 successfully bargained a new three-year agreement for nearly 5,000 Kroger workers in Dayton and Springfield, Ohio. The company attempted to take advantage of the



*Doug Glick, Local 75 Member*

economic crisis devastating communities in the area, though Kroger is successfully weathering the storm. Through membership solidarity and activism, we were able to reach a contract con-

*Continued, page 4*

## Local 1059

UFCW Local 1059 has approximately 10,000 Kroger members in 87 stores throughout 44 counties in Ohio. The local union successfully negotiated a four-year contract with the Kroger Company during the summer of 2008 - three months early. It expires on August 11, 2012.

In the summer of 2008, Local 1059 approached Kroger about the possibility of early bargaining. We told them up front that we would only do this if we could bring

back to the membership a contract that had absolutely no takeaways. It had to have improvements in health care and secure money for pension and hourly wage increases that were better than other areas we had seen around the country. Through some intense early bargaining we were able to achieve our goals.

We were very proud of the Kroger contract in terms of maintaining the current level of weekly co-pays for health insurance, securing addi-

tional pension contributions, and significant pay increases for all classifications. Break-through language was negotiated that secures a 40-hour guarantee for full-time employees prior to part-time hours being scheduled.

Going forward, Local 1059 supports Region 4 coordinated bargaining for the upcoming negotiation cycle. We have always supported and will continue to support our union brothers and sisters in the region. **K**

## Kroger By the Numbers

Kroger is the national grocery market share leader among conventional grocers. At about 13%, it is second only to WalMart, and is poised to further expand market share with its continued success.

### BY THE NUMBERS

Most recent fiscal year:

- Total sales were \$76 billion, a growth of 8.2% over fiscal 2007, and net sales were \$1.25 billion, a growth of 5.8% over fiscal 2007.

- Kroger continued to gain market share in 36

*Continued, page 4*

## Local 700

Progress and growth have been the priority at UFCW Local 700 over the last three and a half years. We are a local union that has grown from 10,300 members to 13,000 members strong. We have been successful in building worker power for our members through merging a number of our Kroger contracts. Local 700 stands together prepared for our next round of bargaining in 2010, stronger and more united than ever.

As August 2010 approaches, 2,500 members are preparing for bargaining with Kroger in our Ft. Wayne, Indiana stores. UFCW contracts for Kroger members in Toledo, Ohio, Detroit, Michi-

gan and Cincinnati, Ohio will be open for negotiations during a six-month period in 2010 from April to October. Including the Ft. Wayne contract, 30,000 Kroger members will be in negotiations.

Although we are spread throughout Ohio, Michigan and Indiana, we have common goals and priorities. Representing our members' best interests, and protecting and securing our members' futures through unity bargaining is our collective goal.

Together, standing strong as one union with one voice in this region and across the country, we remain committed and dedicated to our great union! **K**

## Local 227

As the Kroger Company continues to grow, we see changes in the daily operation of our local stores and in the types of new stores opening in Kentucky and Southern Indiana – changes that affect the strength of UFCW Local 227 members within each store.

For Local 227 members in Kentucky and Southern Indiana, Kroger has expanded many stores to around 90,000 square feet and has opened two Marketplace stores—stores exceeding 105,000 square feet—in Lexington, Kentucky this year. More are scheduled to open later this year and next year. Due to their size, Kroger Marketplace stores open up the possibility for more full-time jobs and more hours for Local 227 members.

As Kroger's growth continues, Local 227's membership will grow. However, working in large stores presents some challenges for Local 227 members. Bigger stores often allow members to fall through the cracks and feel alienated from their coworkers. Divided, Kroger would be able to make us each settle for less than we deserve. That's why it will be critical for Local 227's stewards and members to communicate with each other often. Members in the meat department need to know what problems members in the produce department are having. With input and support from each other, we will make sure that we get the respect we deserve for making Kroger a profitable company.

We have been successful securing more premium and full-time jobs in Marketplace stores, but in new, bigger stores that don't qualify as Marketplace stores, Kroger is giving workers more responsibility with little to no extra compensation for the added workload. Not long before these new large stores came to Kentucky, Kroger held a meeting of key Local 227 members in each store. Their message was: change is on the way and you better be ready to go with the flow; if you don't, you'll be left behind.

Helen Simpson-Kappell, chief steward at Kroger in Bardstown, Kentucky, has a different and better message for members of UFCW Local No. 227: If we don't start working together as a team and stop worrying about who's doing what job, the job won't get done. We all have got to help each other. That's all there is to it." **K**



*Helen Simpson-Kappell, Local 227 Member*

## Local 876, continued

inson said. "Union members drive Kroger's customer-focused strategy which is generating profits for the company, and we plan to leave the bargaining table with a new contract that allows members to share in the success."

Receiving their fair share is a common theme among Local 876 members as they look toward 2010 contract negotiations. "Kroger is definitely making money, and spared no expense in flying the bosses in from around the country to visit our store," Alvin Boykin, a produce clerk at Kroger, said. "We should share in that, too."

Peter Butterworth, a 19-year Kroger employee who has served on three union bargaining committees agreed. "We know the company is making money, even with the economy the way it is," he said. "I think people are realistic about the increases, but they expect Kroger to be fair with us."

Similar sentiments were echoed by Katherine Diamond, a union steward at Kroger. "Kroger is a very healthy multi-billion dollar company," she said. "The company needs to take care of their employees. We deserve a raise."

The Local 876 Kroger contract covering 12,000 members expired on June 9, 2010. **K**

## **Local 75, continued**

taining fair wages, regular wage and pension increases, and appropriately funded, affordable health care.

We will likely see the same challenges during bargaining next year when the Toledo contract expires in April, and Cincinnati expires in October. It is important to start preparing now. It is imperative that members provide your union representative with your email address so that we can send the latest updates to you.

When there are actions or events, make sure to show up. A mobilized, active membership standing in solidarity with other local unions in the region is the key to getting a positive agreement at the bargaining table. **K**

## **Local 951**

UFCW Local 951 represents Kroger members in two separate collective bargaining agreements expiring on August 7, 2010 and October 22, 2011. We will be contacting other UFCW local unions to stay abreast and informed of current Kroger bargaining status across the region.

Local 951 is preparing to merge or combine portions of each contract such as wages, paid time off, and scheduling language in order to make a more uniform contract. Committees will be formed to gather ideas and input for the Kroger contract that expires on August 7, 2011. In these tough economic times, the goal will be to secure the best contract possible for all UFCW Kroger members. **K**



*Kathy Reinert, Local 951 Member*

## **Kroger By the Numbers, continued**

of its 42 major markets, and believes it will continue to gain even more in months to come.

### **AND IN THE MOST RECENT QUARTER:**

- Total sales were \$17.7 billion this quarter, a decline from \$18.1 billion over last year—but this is due to the decline in fuel prices.

- Excluding fuel, supermarket sales were up 3.5%.

- Kroger had a decline in quarterly profits—down from \$276.4 million to \$254.4 million. Identical store sales, excluding fuel, were up 2.6%.

- Kroger continues to see strong sales in deli and bakery, which is at least partly because of former restaurant-goers trading down to prepared food at the grocery.

And Kroger's executives are being rewarded for the compa-

ny's continuing dominance of the industry:

- In fiscal year 2008 (which ended January 31, 2009), David Dillon, the Chairman and CEO of Kroger, earned \$1,220,000 in base salary, and his total compensation was over \$8 million.

- The other four top officers received total compensation of between \$1.8 – 3.9 million.