

**Quality Pork Processors (QPP) and UFCW Local 663 2025 Contract Negotiations
Company 7/2/2025 Comprehensive Contract Offer**

Company Review of Status of Union's Initial Proposals

- ~~**Union Proposal 1(A).**~~ **Withdrawn by Union on 6/24/2025**
- ~~**Union Proposal 1(B).**~~ **Withdrawn by Union on 7/1/2025**
- ~~**Union Proposal 1(C).**~~ **Withdrawn by Union on 6/4/2025.**
- ~~**Union Proposal 1(D).**~~ **Withdrawn by Union on 6/25/2025 as a result of the parties' tentative agreement to the following:**

For both the hot side and the cold side, the Company will post (by the time clocks in the upper cut and kill floor) the daily gang time, average chain speed, and number of pigs processed.

- ~~**Union Proposal 1(D).**~~ **Withdrawn by Union on 6/4/2025.**
- **Union Proposal 2(A). Tentative agreement on 7/1/2025 to amend existing Article 14(b) of the contract to state as follows:**

The Company will have tough toe shoes/boots (or something similar) available at the plant for maintenance employees' use. The Company will provide maintenance employees with safety boots on an as-needed basis, or a \$180.00 boot allowance on an as-needed basis, but not more frequently than once a year or case-by-case. The company will furnish yellow boots (or something similar) to employees in livestock drive alleys, series pens 1, 2, 3, and the trolley room. Certified fork truck/work saver employees will be provided an \$83.00 safety boot allowance on an as-needed basis, but not more frequently than once a year or case-by-case.

- **Union Proposal 2(B).**

NEW Article 14(d) The company shall provide mechanics a tool allowance.

Company Response (7/2/2025): The Company wishes to prioritize wage increases over this economic proposal and, as a result, has elected to reject this proposal.

- **Union Proposal 2(C).**

NEW Article 14(e) If employee's prescription eyeglasses are damaged at work, the company will reimburse for any damage to lenses and frames.

Company Response (7/2/2025): The Company wishes to prioritize wage increases over this economic proposal and, as a result, has elected to reject this proposal.

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- **~~Union Proposal 3(A).~~ Withdrawn by Union on 6/25/2025 as a result of the parties' tentative agreement to add the following new language to the end of Article 32:**

The Company will continue to provide a medical / nursing station and ensure it is adequately staffed (in the Company's good faith judgment) for all hours in which production is taking place. Employees must inform their supervisor prior to leaving their work station (except in emergencies) when going to the medical / nursing station so that the supervisor may inform the nurse that the employee is coming to the station so that the nurse may be ready.

The Company will provide translation options as practicable for those employees who request translation assistance, and any required training materials shall be in the primary languages of the participating employees as practicable.

- **~~Union Proposal 3(B).~~ Withdrawn by Union on 7/1/2025 as a result of the parties' tentative agreement to amend existing Article 16 of the contract as follows:**

**ARTICLE 16
SAFETY COMMITTEE**

There shall be a Safety Committee composed of at least three (3) Union members and at least two (2) Company management members plus the Director of Plant Safety. The Safety Committee shall be ongoing for the purpose of making the plant a safe workplace. The Union representatives and the bargaining unit members of the Safety Committee may select additional or alternative members of the Safety Committee so long as the total number of bargaining unit employees on the Safety Committee does not exceed eight (8) per shift.

There shall be an Ergonomics Committee composed of at least three (3) Union members and at least two (2) Company management members plus the Director of Plant Ergonomics. One Company and one Union member will be from the Safety Committee. The Ergonomics Committee shall be ongoing for the purpose of making the plant a safe workplace. The Union representatives and the bargaining unit members of the Ergonomics Committee may select additional or alternative members of the Ergonomics Committee so long as the total number of bargaining unit employees on the Ergonomics Committee does not exceed eight (8) per shift.

The Committees shall meet at specified times, a minimum of twice per month for the Safety Committee, and a minimum of once a month for the Ergonomics Committee, for the purpose of addressing all subjects necessary to insure the safety of the plant and the employees.

Times and dates of meetings, type of Safety and Ergonomics programs instituted, Safety and Ergonomics audits to be made, and all other pertinent subjects shall be addressed by the Safety and Ergonomics Committees.

- **Union Proposal 3(C):**

EDIT Article 31: Long Term Disability. For the term of the Contract, Long Term Disability coverage will be offered by the Company. ~~for existing employees at 50% of covered payroll effective on the 91st calendar day for up to 10 years' coverage. Existing employees on the date of ratification~~ The company will pay for the coverage and employees will pay the taxes

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associated with this coverage. ~~Employees hired after ratification will be eligible for this benefit upon hire only and must pay the premium and taxes associated with long term disability coverage.~~

Company Response (7/2/2025): The Company wishes to prioritize wage increases over this economic proposal and, as a result, has elected to reject this proposal.

- **Union Proposal 4(A):**

Increase rest periods to 20 min (from 15 min) and meal periods to 35 min (from 30 min)

Company Response (6/24/2025): Reject

- **Union Proposal 4(B):**

Employees will be completely relieved of all work duties and free to attend personal needs for all rest and meal periods.

Company Response (6/25/2025): Reject.

The proposal is unnecessary because:

- Employees already are relieved of their work duties during breaks and meal periods meaning there is not a need for any new contract language.
- Further, with respect to the Union's reference on 6/24/2025 to PPE, Article 36 of the contract already reflects the longstanding past practice and agreement concerning the total daily compensation associated with donning and doffing PPE.
- Finally, with respect to the Union's expressed concern on 6/24/2025 about Safety Tuesday, the Company discussed with the Union on 6/25/2025 its tentative plan to alleviate that concern.

- **Union Proposal 5(A):**

EDIT Article 19 Section 5. Layoff. An employee ~~eligible for vacation~~ who is laid off because of reduction in his gang shall be allowed ~~prorated~~ pay for the vacation ~~equivalent accrued for which he has qualified.~~

Company Response (7/2/2025): Because, moving forward, the Company is proposing to allow employees to have a vacation benefit plus a separate ESST benefit (see Company Proposal No. 11 on page 8 below) under the next labor contract, the Company is not interested in making a further expansion of the already generous vacation benefits in the contract. As a result, the Company has elected to reject this proposal.

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- **Union Proposal 5(B):**

EDIT Article 19 Section 6. Termination or Death. An employee eligible for vacation whose employment is terminated for any reason except theft, shall be allowed **prorated** pay for the vacation **equivalent accrued for which he had become eligible**. In the case of death, such pay shall be paid to his estate or the person legally entitled.

Company Response (7/2/2025): Because, moving forward, the Company is proposing to allow employees to have a vacation benefit plus a separate ESST benefit (see Company Proposal No. 11 on page 8 below) under the next labor contract, the Company is not interested in making a further expansion of the already generous vacation benefits in the contract. As a result, the Company has elected to reject this proposal.

- **Union 6/24/2025 Proposal for a Side Letter. *The parties reached a tentative agreement on 7/1/2025 to enter into a side letter stating as follows:***

1. The Company agrees that the absence of any employee who has been detained due to U.S. Immigration and Custom Enforcement (ICE) proceedings and who has returned to work within fourteen (14) days of the start of the absence (or within such longer period of time that the Company may approve), ~~or has requested an extension of time, of reasonable duration, to report within that same fourteen (14) day period~~, shall be treated as an excused absence if the employee's prior and current work authorization status has been cleared by ICE.
2. Employees will be granted up to ten (10) ~~seven (7)~~ days absence without pay for the purpose of attending U.S. Citizenship and Immigration Services (USCIS) proceedings if their attendance is required for all ten (10) ~~seven (7)~~ days. The Company will review unpaid time off in addition to the ten (10) ~~seven (7)~~ days on a case-by-case basis.
3. The parties acknowledge that QPP has a longstanding practice of making good faith efforts to provide periodic reminders to employees whose current work authorization is set to expire in the near future in an effort to assist such employees. QPP confirms its intent to continue its practice of making good faith efforts to provide periodic reminders to employees whose current work authorization is set to expire in the near future with the parties' recognition that ~~The Company shall promptly notify a steward and the Union if the ICE searches and/or apprehends an employee in order that the Union can take steps to protect the rights of its members. In addition, in order to assure compliance with federal regulations and to protect the best interest of both the Company and the affected employees, the Company has implemented a process to remind employees of their obligations to maintain current work authorization documentation. This system will be directed at an employee whose current work authorization is set to expire in the near future and will include periodic reminders. While the Company will assist the employee,~~ it remains the employee's sole responsibility to maintain current work authorization documents.
4. The Company will notify the union as soon as possible of the names and addresses of employees arrested as a result of an ICE audit.

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Company 7/2/2025 Updates to the Company Set of Initial Numbered Proposals

- **Company Initial Proposal 1: Article 6: Union Security-Checkoff**

Add to subpart (b)(4) that catch-up deductions will be made for up to three months.

Union Response (7/1/2025): Union rejects.

Company Updated 7/2/2025 Response

Article 6(b)(4) of the existing contract states as follows:

“If an employee does not receive a check during a pay period or periods, the Company shall deduct catch-up deductions from the first paycheck following the employees return to the payroll.”

Company Initial Proposal No. 1 is to amend the language of Article 6(b)(4) to confirm that deduction of so-called “catch-up deductions” from an employee’s paychecks will occur for no more than three (3) months. The Company holds on Company Initial Proposal No. 1.

As for the six **discussion items** referenced in the Union’s 7/1/2025 response to Company Initial Proposal No. 1, the Company’s position is as follows:

- The past practice is for the Company to send the monthly dues remittance sheet to the Union as a PDF. The Company is willing to continue that practice and include the same information in Excel format, too.
- Until the summer of 2024, the Company provided a physical check (containing dues deducted from employees’ paychecks) to a Union representative by the 5th of each month. The Union requested in the summer of 2024 that the funds be sent by ACH instead of by physical check, and the Company agreed to do so as an accommodation to the Union. The Company is willing to continue to make that accommodation for the Union with the understanding that the 5th of the month is the deadline for the Company to initiate an ACH payment (not the deadline for the completion of an electronic funds transfer since weekends and holidays can affect that timing).
- Seniority lists are not relevant to the dues deduction process, and Article 6 does not address the subject of a leave of absence or “LOA list.”
- The past practice is for the Company to furnish in Excel format a weekly sheet listing the employee name, employee identification number, hire date, rehire date, last 4 digits of social security number (to guard privacy), current dues deductions, and YTD dues deductions. The Company is willing to continue that practice. Additionally, the Company is also willing to continue its past practice of informing the Union when the Company learns an employee has been assigned a new social security number by the Social Security Administration.
- The Company already does collect dues from an employee’s paycheck once the employee has returned from a leave of absence.
- When the Union informs the Company that an employee owes the Union an initiation fee, the Company deducts such fee and remits it to the Union (without any waiting period).

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- **Company Initial Proposal 2: Article 8: Hours of Work**

Daily and Weekly Overtime, subparts (b) and (c):

Add the following to subpart (b): “In order to qualify for such premium rate, the employee must have worked their entire scheduled and assigned weekly schedule and must be working consecutive days, unless otherwise prohibited by law.”

Add the following to subpart (c): “In order to qualify for such premium rate, the employee must have worked their entire scheduled and assigned weekly schedule and have also worked the Saturday of that week, where work is available, unless otherwise prohibited by law.”

Union Response: Union rejects - considers this a takeaway

Company Response: Hold.

- **Company 7/2/2025 Update to Company Initial Proposal 3: Article 12: Wages**

Modify Article 12(a) of the contract to state as follows:

* * * * *

(a) Base hourly production rates are as follows (increases will go into effect on the first full pay period on or after the dates listed below):

	<u>General Increase</u>	<u>Base Rate</u>
July 1, 2025	\$1.00	\$20.80
July 1, 2026	\$.45	\$21.25
July 1, 2027	\$.45	\$21.70
July 1, 2028	\$.45	\$22.15

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Additionally, retain the existing contract language in Article 12(c) of the contract but modify the grade amounts as follows:

BASE	
Grade 1	+ .05
Grade 2	+ .20
Grade 3	+ .45
Grade 4	+ .80
Grade 5	+1.30
Grade 6	+1.65
Grade 7	+1.85

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- **Company Initial Proposal 4: Article 17: Seniority**

Section 5, subpart (f): Delete "six (6) continuous months" and replace with "three (3) consecutive months".

Union Response: Union rejects - considers this a takeaway

Company Response (6/24/2025): Hold.

- **Company Initial Proposal 5: Article 17: Seniority**

Strike subpart 3(a).

Union Response: Union rejects - considers this a takeaway

Company Response (6/24/2025): Hold.

- **Company Initial Proposal 6: Article 20: Holidays.** *Withdrawn by Company on 7/1/2025.*

- **Company 7/2/2025 Update to Company Initial Proposal 3: Article 28: Medical Leave**

Modify existing Article 28 of the contract to state as follows:

ARTICLE 28
MEDICAL LEAVE

Regular, full-time employees after three months of employment may request medical leave. Such requests require a report from the attending doctor, stating the medical condition and the approximate return-to-work date. Requests for leave extensions also require a doctor's statement.

Upon the effective date of the new MN Paid Leave Law, (a) any leave to which an employee may be entitled under any article of this contract will run concurrently with any covered leave under that law, and (b) any payroll tax levied by the State of MN associated with participation in the MN Paid Leave program shall not result in employees in the bargaining unit paying any more than the Company's non-bargaining unit employees. Further, at the Company's election at any time during the term of this contract, the Company may elect to satisfy the mandate of the MN Paid Leave Law by either providing a self-insured plan or participating in a state-approved privately insured plan; however, in either case, any premium cost to participating employees shall be no more than any tax associated with participation in the MN Paid Leave program operated by the State of MN.

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- ~~**Company Initial Proposal 8: Article 35: Grievance and Arbitration Procedure**~~

Withdrawn by Company on 6/4/2025

- **Company 7/2/2025 Update to Company Initial Proposal 9: Term of Agreement**

New 4-year contract to run through June 30, 2029 coextensive with the new wage schedule.

- ~~**Company Initial Proposal 10: Add Article: Bulletin Boards. *Withdrawn by Company on 6/25/2025.***~~
- **Company 7/2/2025 Update to Company Initial Proposal 11: Article 19. Vacations & New Article: Sick & Safe Time.**

Rather than propose, on a prospective basis, to satisfy the Earned Sick and Safe Time (ESST) mandate of Minn. Stat. 181.9445 by requiring employees to use accrued vacation under Article 19 of the contract, the Company is instead proposing to create in the new contract an additional paid leave vehicle for employees by adding a new provision to the contract stating as follows:

ESST. Each employee will accrue one (1) hour of paid leave useable for sick and safe time for every 30 hours actually worked up to a maximum of 48 hours each calendar year. Any unused ESST hours will carry over to the next calendar year so long as the total balance of unused sick and safe time does not exceed 80 hours total since 80 hours is the maximum total accrued balance allowed at any time. ESST hours accrued pursuant to this paragraph are the exclusive hours useable by an employee for events covered by the MN ESST law. Any unused ESST balance at separation of employment is not paid out.

Company Review of Union's New 7/1/2025 Economic Proposals

- Union Economic 1A (base rates). **See Company Proposal 3 on page 6 above.**
- Union Economic 1B (wage grades). **See Company Proposal 3 on page 6 above.**
- Union Economic 2A (medical insurance premiums) and Union Economic 2B (health benefits). **The Company is analyzing the plan design and cost structure of the health insurance program for the next contract and will present its proposal on that program at the next bargaining session.**
- Union Economic 3A (vacation) and Union Economic 3B (rollover). **Because, moving forward, the Company is proposing to allow employees to have a vacation benefit plus a separate ESST benefit (see Company Proposal No. 11 on page 8 below) under the next labor contract, the Company is not interested in making a further expansion of the already generous vacation benefits in the contract. As a result, the Company has elected to reject this proposal.**

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- Union Economic 4A and 4B (two new holidays). The Company wishes to prioritize wage increases over these economic proposals and, as a result, has elected to reject these proposals.
- Union Economic 5 (sick and safe time). See Company Proposal No. 11 on page 8 above.
- Union Economic 6 (401(k)). The Company is willing to accept only the 15-year level of the Union's proposal. Specifically, the Company is willing to amend Article 33 to state that after 15 years of service, the Company will match at 100% up to \$3,250.
- Union Economic 7 (pay to stewards). Rejected. The Company is not interested in paying the Union representatives.
- Union Economic 8 (training pay). The Company would agree to a *modified* version of the Union's proposal. Specifically, the Company would agree to adopt the Union's proposed dollar amount (\$1.50) provided the contract language of Article 12(d) remains the same.
- Union Economic 9 (profit sharing). The Company wishes to prioritize wage increases over this economic proposal and, as a result, has elected to reject this proposal.
- Union Economic 10A (meal ticket). The Company would agree to increase the meal ticket amount to \$7.00.
- Union Economic 10B (meat sale). It is Hormel, not QPP, that owns the meat. As a result, QPP is not able to offer a discount on something that it does not own.
- Union Economic 10C (Article 17, Section 5(e)). The Company would agree to increase the existing amount to \$1.00 / hour provided the existing contract language otherwise remains in place.
- Union Economic 10D (vacation and holidays). The Company wishes to prioritize wage increases over this economic proposal and, as a result, has elected to reject this proposal.
- Union Economic 10E (boot allowance). See TA on Union Proposal 2(A).