

MADE IN MEXICO



Bakery workers in Northeast Portland want consumers to make sure the Nabisco products they're buying were manufactured in the U.S.

BY EMILY GREEN
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Lamar Kennedy has worked at the Northeast Portland bakery that makes Oreo cookies and other Nabisco-brand snack products for more than 25 years.

The bakery, located on Northeast Columbia Boulevard just northeast of the Kenton neighborhood, employs 210 people full time, according to the bakers' union that represents workers there.

During the first two decades he worked there, producing America's top-selling cookies was a job Kennedy enjoyed. Morale was high, working conditions at the bakery were good, and fair wages with plenty of overtime allowed workers to support their families.

But in recent years, workers say, the environment at the bakery has been engulfed in fear – punctuated by top-down intimidation under the ever-looming threat that the plant may close so production can be moved to Mexico.

Adding to the uncertainty, their union's contract with the company has not been renewed since it expired in March 2016.

"The feeling there is horrible," said Cameron Taylor, a representative of the Bakery, Confectionery, Tobacco Workers and Grain Millers union (BCTGM) Local 364. "The people are going to work every day, but it's not what it was. The company's attitude has caused the morale to be as bad as I've ever seen it. The people there used to care about their job and care about working for that company. They don't care anymore."

During a news conference and roundtable discussion at St. Charles Borromeo Church in September, Kennedy and other bakery employees discussed how their working environment began to deteriorate in 2012, when the Kraft-owned bakery, along with all its Nabisco products, became part of newly created Mondelēz International Inc., a spinoff of Kraft's global snack food operations.

Members of a labor rights group called Interfaith Worker Justice were also at the table for the discussion. Portland was one stop on their cross-country tour of cities where Mondelēz workers are struggling with the company's strategy of moving the majority of its big-brand production to Mexico.

Mondelēz-Nabisco production facilities remain open in five U.S. states, employing roughly 2,000 full-time workers, according to a spokesperson for the BCTGM International, Nate Zeff.

Interfaith Worker Justice and bakers' union representatives also attempted to visit one of Mondelēz's facilities in Mexico, but they were barred from entry. Workers arrived on buses that unloaded beyond the fences surrounding the factory, so the representatives were unable to speak with them about conditions inside.

"We want to support workers on both sides of the border," said Laura Barrett, executive director at Interfaith Worker Justice.

A contract between Mexican workers and Mondelēz shows that workers are paid the U.S. equivalent of \$7.80 to \$10.41 per day.

"We have had several sources tell us that 12-hour days are common in Mondelēz's Salinas Victoria plant," Zeff said.

The minimum wage in Mexico, as of December when it saw an increase, is 88.36 pesos, or \$4.71 U.S., per day.

Interfaith Worker Justice's investigation into Mondelēz-Nabisco bakeries culminated in a report released Dec. 12.

According to "Breaking Faith: Outsourcing and Damage Done to Our Communities," Mondelēz's actions illustrate the systemic erosion of American manufacturing in exchange for cheap labor in countries with fewer regulations and worker protections.

The report's authors argue that by moving production overseas and across borders, Mondelēz is betraying the communities that helped its brands become popular and profitable, such as Oreo, which was born in New York in 1912. They say that Mondelēz was making "good profits" under its U.S. production when it announced plans to lay off hundreds of American workers.

While Mondelēz workers in Mexico make less than \$1 per hour, its executives are raking in millions.

The report found that "in the last nine years, Mondelēz-Nabisco former CEO (now board chair) Irene Rosenfeld was paid more than \$185 million. Upon exiting the company, she will take with her nearly \$35 million in personal pension, a \$50 million severance and more than \$70 million in additional stock options. And as recently reported in the news, the incoming CEO, Dirk Van de Put, stands to make \$55 million in his first year."

Meanwhile, lower-level workers in the U.S. are uncertain about the future of their hard-earned pensions.

"Four months ago, I would have been eligible to retire," Kennedy said in September. "But now, with what's going on, I don't know what's going to happen with our pension. But week to week, we keep paying into it."

Mondelēz Global spokesperson Laurie Guzzinati said the company has no plans to

close its Portland bakery. She said that the company has continued to negotiate its union contracts across the U.S. and that its U.S. facilities are, and continue to be, an important part of its North American manufacturing network.

Between 2012 and 2017, Guzzinati said, Mondelēz has invested more than \$500 million in the United States, including investments in "state of the art, modern manufacturing."

Nabisco began production in Mexico in 2003 but ramped up its foreign investment and opened a new facility there in 2014. According to the report, the company has spent \$500 million on new facilities in Mexico.

Soon after Mondelēz's second bakery near Monterrey, Mexico, opened, the company closed a plant in Philadelphia. Then, in January 2016, Mondelēz announced that 600 workers would be laid off from the Nabisco bakery in Chicago.

The following month, Brian Gladden, executive vice president and chief financial officer at Mondelēz, announced that by 2018, 70 percent of the production of the company's leading brands would be produced in new facilities being built in countries such as Mexico, India and the Czech Republic, according to a report at World-Grain.com.

In response to the company's outsourcing strategy, the BCTGM union has waged a campaign against buying Mondelēz snack products made in Mexico. The campaign is aimed at educating consumers and encouraging them to check the label on Nabisco products and buy the snacks only if they were made in the U.S.

It's their hope that consumers will read the labels on Oreos, Newtons, Chips Ahoy!, Ritz Crackers, Teddy Grahams, Wheat Thins, Animal Crackers and other Nabisco products to ensure they were made in the U.S.

Some products show "Made in Mexico" on



Mondelēz International consists of snack brands, including Nabisco, spun off from Kraft Foods in 2012. The company has moved much of its manufacturing to Mexico but still operates plants in five states, including one in Portland. The package above was purchased in Portland, but made in Mexico.