



May 5, 2015

The Honorable Roger Hernández
Chair, Assembly Committee on Labor & Employment
State Capitol, Room 5016
Sacramento, CA 95814

Re: AB 359 (Gonzalez) – Joint Co-sponsor Letter of Support

Dear Assemblymember Hernández:

Community Food & Justice Coalition and Roots of Change are proud to co-sponsor AB 359, as amended March 26, 2015, which would protect California's grocery workers from being dismissed when a large grocery store (i.e. larger than 15,000 sq. ft.) goes through a change of ownership.

Community Food & Justice Coalition helps connect the dots to build a national movement that is taking back our food system to ensure that the purpose of food is to nourish people, and not for corporate profit. Roots of Change is a think and do tank working to ensure that California's food and agriculture policies are fit for the 21st century, and has been working for twelve years in the state to support communities and policy makers seeking a healthier and more resilient food system.

In addition to the primary intent of the bill, which makes existing local grocery worker retention laws statewide policy¹, both of our organizations support this legislation due to our expertise in issues of food justice and food systems. Under AB 359, grocery stores that are larger than 15,000 square feet will have to ensure the retention of eligible workers for a 90-day transition period. A worker must have worked for a minimum of 6 months with the former grocer company for retention eligibility.

90 days is a brief window to retain workers skilled in food safety standards, but it is better than none. Job security for our grocery worker labor force supports more than just the individual -- it also supports a family and the local tax base. Ensuring that workers have a shot at maintaining living wage jobs and benefits will help individuals and families stay off CalFresh, CalWORKs and Medi-Cal rolls. Many large food retailers exploit these public safety net programs as corporate welfare to inflate their profit margins.²

AB 359 also raises the issue of food deserts and how grocery retailers in the state are bifurcating into polar opposites into high end food retail and low quality discounters; reflecting California's growing wealth gap. According to the Census Bureau's Supplemental Poverty Measure, almost a quarter of Californian's are under the federal poverty level, and 1 in 6 Californians are food insecure, meaning they

¹ City of Alameda, City of Berkeley, City of Emeryville, City of Gardena, City of Los Angeles, City of Oakland, City and County of San Francisco, City of San Jose and City of Santa Monica

² Jayaraman S. (2014). *Shelved: How Wages and Working Conditions for California's Food Retail Workers Have Declined as the Industry has Thrived*. Food Labor Research Center; University of California, Berkeley.

did not have a consistent ability to afford enough food. For Californians below 200 percent of the federal poverty level, the rate of food insecurity jumps up to 42 percent according to the California Health Interview Survey. Just as hunger is a symptom of poverty, a major contributor to food insecurity is unemployment and the price of food³,

A United States Department of Agriculture study from 2003 found that grocery store consolidation has contributed to increased food costs for the consumer.⁴ As the *Food Chains* documentary details, increased consolidation gives these stores unprecedented negotiating power, driving down demand for price of food sold to the stores, forcing farmers to lower their prices and employees throughout the food system to increase productivity on stagnant wages.

It is also ironic that California needs AB 359, given that retail consolidation has contributed to current day food deserts, where in the post-World War II era, large scale groceries pushed out small, independently owned food businesses that used to feed the neighborhood. Now, in the 21st century, these grocery store chains, many of whom are now owned by private equity firms, are consolidating and leaving low-income areas first due to top-line profit considerations.

Research of the first wave of supermarket retail consolidation from the 1980s showed that the poorest 20 percent of urban neighborhoods had 44 percent less retail supermarket space than the richest 20 percent.⁵ California communities and its grocery retail workers are experiencing a new wave of consolidations due to economies of scale sought after by new owners i.e. private equity firms.⁶

For these reasons, we support and sponsor this bill and respectfully ask for your Aye vote for AB 359. For any follow up questions, please contact Justin Rausa, Policy Director, at justin@rootsofchange.org | 510 296-0329 or Jessie Gill, Policy Specialist, at jgill@cafoodjustice.org | 510 704-0245.

Thank you,



Justin Rausa
Policy Director
Roots of Change



Y. Armando Nieto
Executive Director
Community Food & Justice Coalition

cc: Assemblymember Harper, Vice Chair Assemblymember McCarty
 Assemblymember Chu Assemblymember Patterson
 Assemblymember Low Assemblymember Thurmond
 Office of the Speaker, Assemblymember Atkins

³ Nord M, Coleman-Jensen A & Gregory C. (2014). *Prevalence of U.S. Food Insecurity is Related to Changes in Unemployment, Inflation, and the Price of Food*. Economic Research Report No. 167. USDA Economic Research Service.

⁴ Sexton R., et al. (2003). *Grocery Retailer Behavior in the Procurement and Sale of Perishable Fresh Produce Commodities*. Contractors and Cooperators Report No. 2. USDA Economic Research Service.

⁵ Eisenhauer E. (2001). In poor health: Supermarket redlining and urban nutrition. *GeoJournal*; 53:125-33.

⁶ Buck F. (2015). *Riverside: La Sierra Vons will close May 16*. Press Enterprise.