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In Mott's Strike, More Than Pay at Stake

By STEVEN GREENHOUSE

WILLIAMSON, N.Y. — After nearly 90 days of picketing in the broiling sun outside the sprawling Mott's apple juice plant here in upstate New York, Michelle Muoio recognizes that the lengthy strike is about far more than whether the 305 hourly workers at the plant get a fatter or slimmer paycheck.

The union movement and many outsiders view the strike as a high-stakes confrontation between a company that wants to cut its labor costs, even as it is earning record profits, and workers who are determined to resist demands for wage and benefit givebacks.

"It's disgusting, honestly, that they want to take things away from the people who made them profitable," said Ms. Muoio (pronounced MOY-oh), a \$19-an-hour machine operator who has worked at the plant 15 years.

The company that owns Mott's, the beverage conglomerate Dr Pepper Snapple Group, counters that the Mott's workers are overpaid compared with other production workers in the Rochester area, where blue-collar unemployment is high after years of layoffs at employers like Xerox and [Kodak](#).

Chris Barnes, a company spokesman, said Dr Pepper Snapple was seeking a \$1.50-an-hour wage cut, a pension freeze and other concessions to bring the plant's costs in line with "local and industry standards."

The company, which has 50 brands including 7Up and Hawaiian Punch, reported net income of \$555 million in 2009, compared with a loss of \$312 million the previous year. Its 2009 sales were \$5.5 billion, down 3 percent.

With each passing week, the two sides have dug in deeper, doing their utmost to outmaneuver and undercut each other. Rain or shine, dozens of workers picket outside the plant each day, standing alongside a 15-foot-tall inflatable rat and a mock coffin emblazoned with "R.I.P. Corporate Greed."

Rebecca Givan, a professor of industrial relations at Cornell, said the strike has taken on broader symbolism. "The union wants to tap into the public backlash against perceived corporate greed," she said. "The company wants to emphasize the depressed local labor market."

The strike has become so important because of the prominence of the brands and because of its unusual nature: a highly profitable company is taking the rare and bold step of demanding large-scale concessions.

Unlike previous battles, where American manufacturers have often sought to cut labor costs by threatening to close plants or move operations to the South or overseas, Dr Pepper Snapple is not making such threats.

For unions across the country, the stakes are high because if the Mott's workers lose this showdown, it could prompt other profitable companies to push for major labor concessions. Such a lengthy strike is unusual at a time when work stoppages have become much less common than they once were.

Strikes and other work stoppages nationwide have plunged in recent decades, to 126 last year from 831 in 1990, according to the Bureau of National Affairs, as unions represent fewer workplaces and workers increasingly recognize the considerable pain and risk involved in walkouts.

"Companies have asked for concessions throughout the history of the labor movement because they've faced hard times and needed help to survive," said Stuart Appelbaum, president of the Retail,

Wholesale and Department Store Union, which represents the Mott's workers. "Dr Pepper Snapple is different. They don't even show the respect to lie to us. They just came in and said, 'We have no financial need for this, but we just want it anyway because we figure we can get away with it.'"

Negotiations have not been held since May, and Dr Pepper Snapple says it has no intention of resuming them. The company has continued to operate the plant using replacement workers and says that production of apple juice and apple sauce is growing each day. Union officials say production is one-third of what it was before the walkout.

The Mott's workers voted 250 to 5 to strike, walking out on May 23. They were furious about the company's demands to cut their wages by about \$3,000 a year, freeze pensions, end pensions for new hires, reduce the company's 401(k) retirement contributions and increase employees' costs for health care benefits. Dr Pepper Snapple said it was merely seeking to bring its benefits more in line with those of its other plants.

Even before the strike vote, workers were stewing, saying that management had begun treating them far worse after Cadbury Schweppes, the former owner, spun off its American beverages division in 2007, creating Dr Pepper Snapple.

The new management eliminated their bonuses, the summer picnic and the year-end holiday party for employees' children, several workers complained.

With the apple harvest getting under way, the region's apple growers are eager for a settlement. They are concerned that the plant, which traditionally buys half the apples produced in the region, will cut back because the plant's output has fallen.

"We've got the most to lose," said John Teeple, whose orchards produce 100,000 bushels a year.

"We've got million of apples about to be picked."

Justifying the proposed cuts, management says the Mott's workers average \$21 an hour, compared with the \$14 average hourly wage for production, transportation and material moving workers in the

Rochester area. Union officials say that 70 percent of the plant's workers earn \$19 or less an hour and that many are highly experienced and deserve well more than \$14 an hour.

Dr Pepper Snapple, based in Plano, Tex., has sought to win public support by running full-page ads in Rochester's main newspaper. One recent ad said, "Mott's pays more. Would you walk away from a manufacturing job that paid you as much as 50 percent more than you could make elsewhere? That's what union workers did at Mott's." (The company said that it had offered not to cut wages if the workers ratified its offer by April 15.)

The workers, meanwhile, are incensed that the company is demanding givebacks when it posted record profits last year and increased its dividend by 67 percent in May.

"Corporate America is making tons of money — this company is a good example of that," said Mike LeBerth, president of the union local representing the strikers. "So why do they want to drive down our wages and hurt our community? This whole economy is driven by consumer spending, so how are we supposed to keep the economy going when they take away money from the people who are doing the spending?"

Dr Pepper Snapple has vigorously defended its stance. "The union contends that a profitable company shouldn't seek concessions from its workers," the company said in a statement. "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 its constituents, recognizing that a profitable business attracts investment, generates jobs and builds communities."

The union is straining to maximize pressure on management. It has enlisted several prominent New York Democrats including Senator [Charles E. Schumer](#) and Attorney General [Andrew M. Cuomo](#), who is running for governor, to urge the company to resume bargaining.

Tim Budd, a 24-year employee who belongs to the union's bargaining team, said he was shocked by one thing the plant manager said during negotiations.

“He said we’re a commodity like soybeans and oil, and the price of commodities go up and down,” Mr. Budd recalled. “He said there are thousands of people in this area out of jobs, and they could hire any one of them for \$14 an hour. It made me sick to have someone sit across the table and say I’m not worth the money I make.”

Mr. Barnes, the company spokesman, said the union took the plant manager’s words out of context.

“We’d prefer that our employees return to work, and the door is open for them to come back,” he said.

“But we’re prepared to continue operating without them.”



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