



**Training Proposal for:  
Foster Poultry Farms**

**Agreement Number: ET16-0284**

**Panel Meeting of:** January 22, 2016

**ETP Regional Office:** Sacramento

**Analyst:** K. Smiley

**PROJECT PROFILE**

Contract Attributes:	Priority Rate Retrainee HUA	Industry Sector(s):	Manufacturing Agriculture Goods Movement  Priority Industry: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Counties Served:	Fresno, Merced, Los Angeles	Repeat Contractor:	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Union(s):	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Machinists Automotive Trades No.190; Teamsters Local Union No. 63; United Food & Commercial Workers International Union 8		
Number of Employees in:	CA: 9,000	U.S.: 12,500	Worldwide: 12,500
<u>Turnover Rate:</u>	15%		
<u>Managers/Supervisors:</u> (% of total trainees)	9%		

**FUNDING DETAIL**

Program Costs	-	(Substantial Contribution)	(High Earner Reduction)	=	<b>Total ETP Funding</b>
\$249,840		\$0	\$0		\$249,840

In-Kind Contribution:	100% of Total ETP Funding Required	\$302,000
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**TRAINING PLAN TABLE**

Job No.	Job Description	Type of Training	Estimated No. of Trainees	Range of Hours		Average Cost per Trainee	Post-Retention Wage
				Class / Lab	CBT		
1	Retrainee Priority Rate HUA	Business Skills, Computer Skills, Continous Impr, Mfg Skills	634	8-200	0	\$360	\$11.70*
				Weighted Avg: 20			
2	Retrainee Priority Rate	Business Skills, Computer Skills, Continous Impr, Mfg Skills	60	8-200	0	\$360	\$16.00
				Weighted Avg: 20			

\*It will be made a condition of contract that the trainees in Job Number 1 will never be paid less than the State or local minimum wage rate as in effect at the end of retention (Final Payment) regardless of the wage expressed in this table. The highest minimum wage rate will prevail.

**Minimum Wage by County:** Job Number 1 (HUA): \$11.70 per hour for Merced & Fresno Counties and \$12.36 for Los Angeles County; Job Number 2: \$15.60 per hour for Merced & Fresno Counties and \$16.48 for Los Angeles County.

**Health Benefits:**  Yes  No This is employer share of cost for healthcare premiums – medical, dental, vision.

**Used to meet the Post-Retention Wage?:**  Yes  No  Maybe

Up to \$2.36 per hour may be used to meet the Post-Retention Wage for Job Number 1 and up to \$0.48 per hour may be used to meet the Post-Retention Wage for Job Number 2.

**Wage Range by Occupation**

Occupation Titles	Wage Range	Estimated # of Trainees
<b>Job Number 1</b>		
Quality Assurance Staff		19
Distribution Staff		38
Operations Staff		502
Sanitation Staff		30
Administrative Staff		45
<b>Job Number 2</b>		
Front-Line Managers		60

**INTRODUCTION**

Foster Poultry Farms (Foster Farms) ([www.fosterfarms.com](http://www.fosterfarms.com)) was founded in 1939 in Livingston and is the largest poultry producer in the Western United States. The Company's operations handle all phases of the poultry process, from hatcheries to the finished products. Foster Farms operates 12 locations within the State of California. Their product line includes fresh chicken, frozen chicken and turkey, poultry deli products, frozen Mexican entrees, frozen appetizers, hot dogs, and corn dogs. These products are sold at grocery stores and restaurants across the United States.

## **PROJECT DETAILS**

This will be Foster Farms' second ETP Agreement within the last five years. The prior Agreement focused on increasing operational efficiencies and reducing waste through a Computer-Aided Cost Estimating System. The system provides a direct connection between plant floor and business operations, allowing the Company to gain real-time visibility of manufacturing performance.

For this proposal, in an effort to increase international sales, Foster Farms will focus on implementing the quality and safety standards set by the British Retail Consortium (BRC). The BRC is a leading safety and quality certification program used by over 23,000 certificated suppliers in 123 countries. Foster Farms' goal is to have BRC standards fully implemented by December 2016.

Foster Farms is also instituting an in-depth Animal Welfare Training program with the intent of creating a culture of humane treatment for all poultry livestock. The Company is making Animal Welfare Training an integral part of their business plan.

### **Union Support**

All union letters of support for this training project have been received.

### **Training Plan**

Training will take place at three California locations in Merced, Fresno, and Los Angeles Counties.

**Business Skills (5%):** Training will be provided to Administrative Staff and Front Line Managers. Training will enhance project management skills and increase customer satisfaction. Training will also emphasize identifying customer needs and product knowledge.

**Computer Skills (10%):** Training will be provided to Administrative Staff and Front Line Managers to enhance inventory regulation and production efficiency. The training topics will include Materials Resource Planning Software (MRP) and SAP Software.

**Manufacturing Skills (20%):** Training will be provided to all occupations to enhance food process sanitation and production efficiency. Courses will include LEAN Process II and Sanitation Best Practices.

**Continuous Improvement (65%):** Training will be provided to all occupations to enhance the humane treatment of livestock and create a culture of leadership. Courses will include Animal Welfare Training, Situational Leadership and British Retail Consortium.

### **Commitment to Training**

Foster Farms represents that ETP funds will not displace the existing financial commitment to training. Safety training is, and will continue to be, provided in accordance with all pertinent requirements under state and federal law. Foster Farms invests \$550,000 annually for training that includes basic safety, company orientation, and departmental on-the-job training.

Foster Farms has a detailed training plan, with trainers that are familiar with ETP record keeping processes. Each training facility will have two on-site, full-time employees who will track progress. In addition, the Company contracted with Strategic Business Solutions to assist with administration.

## **High Unemployment Area**

Foster Farms is requesting a wage modification for the 634 frontline workers (Job Number 1) in Fresno, Merced, and Los Angeles Counties, High Unemployment Area (HUA) with unemployment exceeding the state average by at least 25%. For facilities in HUAs, the Panel may modify the ETP Minimum Wage by up to 25% if post-retention wage exceeded the start-of-training wages. The Company is requesting a 25% wage modification for trainees in Job Number 1.

## **Impact/Outcome**

Training will improve efficiency and encourage international growth. Trainees will also gain a deeper understanding of humane treatment towards livestock.

## **PRIOR PROJECTS**

The following table summarizes performance by Foster Farms under an ETP Agreement that was completed within the last five years:

Agreement No.	Location (City)	Term	Approved Amount	Payment Earned \$ %
ET12-0404*	Fresno, Merced, Los Angeles	06/04/2012- 06/03/2014	\$495,000	\$208,287 (42%)

\*During the term of this Agreement, all three of the Foster Farms participating facilities experienced a turnover in management, which caused a delay in delivering ETP-funded training. These incidents were remedied, however, it caused Foster Farms to shift focus from training to production.

The Livingston facility was able to complete a majority of the hours reimbursed under the Agreement. The Company has adopted the Livingston model at all facilities to ensure a successful performance going forward. The current proposal has been right-sized to reflect earnings under this previous Agreement.

## **RECOMMENDATION**

Staff recommends approval of this proposal.

## **DEVELOPMENT SERVICES**

Foster Farms retained Strategic Business Solutions, LLC of Visalia to assist with development of this proposal for a flat fee of \$8,250.

## **ADMINISTRATIVE SERVICES**

Foster Farms also retained Strategic Business Solutions, LLC to perform administrative services in connection with this proposal for a fee not to exceed 13% of payment earned.

## **TRAINING VENDORS**

To Be Determined

**Exhibit B: Menu Curriculum****Class/Lab Hours**

8-200

Trainees may receive any of the following:

**BUSINESS SKILLS**

- Account Development

**COMPUTER SKILLS**

- SAP Software
- Materials Resource Program (MRP)

**CONTINUOUS IMPROVEMENT**

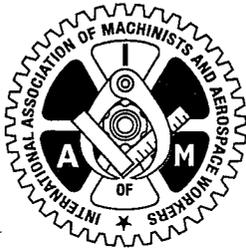
- Situational Leadership
- Advanced Food Product Safety
- Teambuilding
- Animal Welfare Training
- British Retail Consortium (BRC)

**MANUFACTURING SKILLS**

- Sanitation Best Practices
- LEAN Processes II

Safety Training cannot exceed 10% of total training hours per-trainee

Note: Reimbursement for retraining is capped at 200 total training hours per trainee, regardless of the method of delivery.
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# MACHINISTS AUTOMOTIVE TRADES

## DISTRICT LODGE No. 190

7717 Oakport Street, Oakland, CA 94621 (510) 632-3661 Fax (510) 632-4171

JAMES H. BENO, Directing Business Representative

December 22, 2015

Executive Director  
Employment Training Panel  
1100 J Street, 4<sup>th</sup> Floor  
Sacramento, CA 95814

RE: ETP Training Program

The International Association of Machinists and Aerospace Workers, District Lodge 190, represents the bargaining unit comprised of over 2,500 employees at the Foster Farms plant located in Livingston, CA.

The IAMAW is an ardent supporter of employee training and recognizes the importance and crucial role the ETP Training Program plays in the development of our members.

We strongly recommend and support Foster Farms in their efforts to secure funding for training. The training program will provide our members with knowledge and skills needed to meet operational demands which in turn will increase promotional opportunities and provide a more secure work environment for the future.

Should you have any questions, please don't hesitate to contact me at (650) 619-2136)

Sincerely,

Pedro J. Mendez  
Business Representative/Assistant Director, Organizing  
District 190, IAM & AW

C: James Beno, DBR, District 190  
John Dias, Foster Farms



# TEAMSTERS LOCAL UNION No. 63

RANDY CAMMACK  
SECRETARY-TREASURER

KEN HAARALA  
PRESIDENT

Freight, Parcel,  
Bakery, Dairy,  
Meat, Poultry  
and Factory  
Workers in the  
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Area.

General Truck  
Drivers,  
Warehousemen,  
and Helpers in  
Los Angeles,  
San Bernardino,  
Riverside  
Counties,  
California.

Agricultural and  
Related Product  
Workers in the  
California  
Counties of San  
Diego, Imperial,  
Orange,  
Alameda,  
Los Angeles,  
San Bernardino,  
Ventura, Santa  
Barbara, Kern,  
San Luis  
Obispo, Tulare,  
Kings,  
Monterey, San  
Benito, Fresno  
and Merced.

927 Village Oaks  
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Covina, Calif.  
91724  
(626) 859-4005  
FAX  
(626) 859-4084

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379 W. Valley  
Blvd.  
Rialto, Calif.  
92376  
(909) 877-4760  
FAX  
(909) 877-2452

December 28, 2015

Executive Director  
Employment Training Panel  
1100 J Street, 4<sup>th</sup> Floor  
Sacramento, California 95814

Re: ETP Training Program

To Whom It May Concern:

Teamsters Local 63 supports the ETP Training Program at Foster Farms.

We represent the members employed by Foster Farms at the Southern California Distribution Center located in El Monte, California. The program will provide our members with skills needed to meet operational demands which in turn will provide a more secure work environment for the future.

If you have any questions, please do not hesitate to contact me at (626) 859-4005, Extension 1140.

Sincerely,

Carlos Barnett  
Business Representative  
Teamsters Local No. 63  
CB/ls



United Food & Commercial Workers International Union, AFL-CIO, CLC

**Jacques Loveall**  
President  
International Vice President

**Roseville**  
(Headquarters)  
2200 Professional Dr.  
Roseville, CA 95661  
(916) 786-0588  
(916) 786-0958 (fax)

**December 22, 2015**

**Bakersfield**  
900 Airport Dr.  
Bakersfield, CA 93308  
(661) 391-5770

**Executive Director  
Employment Training Panel  
1100 J Street, 4<sup>th</sup> Floor  
Sacramento, CA 95814**

**Chico**  
20 Constitution Dr.  
Suite C  
Chico, CA 95973  
(530) 895-0017

**RE: ETP Training Program**

**Fresno**  
3485 W. Shaw Ave.  
Suite 101  
Fresno, CA 93711  
(559) 271-1288

**The United Food and Commercial Workers Union, 8-Golden State represents over 32,000 members in the Western United States. We represent over 3,500 members employed at four Foster Farms plants in Turlock, Fresno, California.**

**Fresno**  
*Distillery, Wine & Allied,  
and Wholesale Division*  
3485 W. Shaw Ave.  
Suite 102  
Fresno, CA 93705  
(559) 226-5045

**UFCW 8-Golden State is an ardent of the ETP Training Program and strongly recommends and supports Foster Farms in their efforts to secure funding for employee training. The training program will provide our members with knowledge and skills needed to meet operational demands which in turn will enhance advancement opportunities and provide a more secure work environment for the future.**

**Modesto**  
2007 Yosemite Blvd.  
Modesto, CA 95354  
(209) 529-0596

**If you have any questions, please don't hesitate to contact me at (916) 786-0588.**

**Redding**  
3400 Bechelli Ln.  
Suite C  
Redding, CA 96002  
(530) 222-3905

**Sincerely,**

**JOE CIOTTI  
Wholesale Industry Director**

**Sacramento**  
1930 9th Street  
Sacramento, CA 95811  
(916) 503-8828

**Santa Rosa**  
940 Hopper Ave.  
Santa Rosa, CA 95403  
(707) 546-1384





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Riverside  
Counties,  
California.

Agricultural and  
Related Product  
Workers in the  
California  
Counties of San  
Diego, Imperial,  
Orange,  
Alameda,  
Los Angeles,  
San Bernardino,  
Ventura, Santa  
Barbara, Kern,  
San Luis  
Obispo, Tulare,  
Kings,  
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