

# Raley's breaks from grocers to negotiate its own labor contract

By Dale Kasler, Sacramento Bee

Raley's says the lack of progress on a new labor contract is costing the West Sacramento grocer millions – and contributed to the recent closure of two of its stores.

In an effort to jump start negotiations with the the United Food and Commercial workers, Raley's has separated itself from its fellow union grocers, Safeway Inc. and Save Mart Stores, and will now bargain on its own.

“There is more urgency on our end than on the other retailers to reach an agreement,” Raley's spokesman John Segale said today.

The company is seeking about \$18 million worth of annual savings, mostly through cutbacks in health expenses, according to a memo sent to employees late Wednesday by Chief Executive Michael Teel. The lack of a new contract since the old pact expired four months ago has cost Raley's about \$6 million, he said.

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