



KEY LINKS IN THE FOOD CHAIN

PRESS RELEASE

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24 October 1993
for immediate release

MIDDLEBROOK MUSHROOMS - A STATEMENT

Booker plc today issues the following statement in connection with the increasing publicity by the Transport and General Workers Union, and others, concerning the alleged unfair dismissal of 89 employees of Middlebrook Mushrooms Whitley Bridge Farm in North Yorkshire.

Jonathan Taylor, chairman of Booker, said:

"We wholly repudiate the allegations that Middlebrook's management was unreasonable or hasty. Middlebrook observed proper negotiation and communication throughout, and the Industrial Tribunal confirmed that the dismissals were fair.

"The dispute was about Middlebrook's refusal to make temporary excessive overtime earnings a permanent feature. It was not about wage rates. At Whitley Bridge Farm Middlebrook paid about 10% over the Agricultural Wages Board minimum, and a third over local rates for similar work.

"I regret that our offer to the former employees at Whitley Bridge Farm has been turned down. This was a goodwill gesture on our part, to help alleviate hardship in an area hit hard by recession and pit closures. That offer was not negotiable and has now expired.

"We are proud of our reputation as a good employer, and we are quite satisfied that Middlebrook's management carried out its responsibilities in the best interests of shareholders and customers - and the majority of employees who have worked normally throughout these difficult months. We have now managed to secure the viability of Whitley Bridge Farm and avert further heavy job losses."

ends

background information is attached

for further information :
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REGISTERED IN ENGLAND NO.65519



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24 October 1993

MIDDLEBROOK MUSHROOMS
background briefing - Whitley Bridge Farm

There has recently been an increasing amount of publicity of the Transport and General Workers Union, and others, concerning the alleged unfair dismissal of 89 employees of Middlebrook Mushrooms' Whitley Bridge Farm in North Yorkshire.

Booker plc, which is proud of its reputation as a good employer, wholly repudiates these allegations. The company is quite satisfied that Middlebrook Mushrooms management carried out its responsibilities in the best interests of shareholders, customers and the majority of employees who have continued to work normally. In so doing, the viability of Whitley Bridge Farm has been secured and further heavy job losses averted.

Middlebrook Mushrooms is a loss-making subsidiary of Booker plc. It is engaged in mushroom farming at a number of locations in western, central and northern England. The profitability of the UK mushroom industry has been undermined by cheap imports; and work patterns have had to change because of supermarket requirements for Sunday supplies.

At the beginning of 1992 Middlebrook's customers, who are mainly national supermarket chains, modified their ordering arrangements to secure fresh deliveries throughout the week. To meet its customers' changed requirements Middlebrook had to introduce seven-day harvesting. At that time it was unclear whether Sunday trading would be allowed to continue.

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Initially, weekend work at Whitley Bridge Farm was done at premium overtime rates by existing employees, mainly weekday part-time workers. The then 1992/93 hourly rate of £3.74, amounted to £93.50 for a part-time 25-hour week, this was about 10% higher than the statutory minimum set by the Agricultural Wages Board, and almost one-third higher than other local hourly rates for similar work.

Later it became clear that Sunday trading would continue and that suppliers to supermarkets were going to have to live with a seven day working week. In these circumstances, it was no longer possible to sustain high levels of premium overtime earnings on a permanent basis without jeopardising the future viability of the farm.

Formal negotiations with employees at Whitley Bridge Farm began in August 1992 when Middlebrook sought to introduce new flexible working arrangements. They refused to allow this, although the long term effect of higher losses was explained to them, as was the intensely competitive state of the market brought about by imports from countries with lower wage structures. All other Middlebrook farms, where employees are similarly represented by the Transport and General Workers' Union, were already working a flexible roster system.

An overtime ban and 'go-slow' were then introduced by harvesting employees at Whitley Bridge. This further increased the operating costs of the farm and began to affect customer service. In November 1992, following failure to reach any agreement, ACAS was called in. Management proposed new contracts, offering two options: rostered weekends at overtime rates with mid-week breaks, or Monday-to-Friday contracts with weekend harvesting done by a new part-time workforce. Both were rejected by the 89 Whitley Bridge harvesting staff; 35 other staff at Whitley Bridge continued to work normally. The other Middlebrook farms, employing more than 900 people, were not involved in the dispute.

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At the end of November 1992, after four months of unsuccessful efforts to find a compromise and after five weeks warning of possible dismissal, the 89 harvesting employees at Whitley Bridge were dismissed. New staff were recruited and, after training, were given permanent employment contracts which continued to recognise the union.

Since then Whitley Bridge Farm, including union members, has continued to work normally despite intensive, and at times violent, picketing, as have all other Middlebrook farms.

On 3 September 1993 an Industrial Tribunal gave its decision that there were no grounds for any of the dismissed employees at Whitley Bridge to claim that their dismissal had been unfair. There has been no subsequent appeal against the Tribunal's ruling.

In mid-October, at the end of the 30-day appeal period, Booker approached the TGWU at national level and offered to make a donation of £50,000 as a gesture to help alleviate hardship in an area badly affected by the recession. It also undertook to consider job applications from former employees, on their merit, as and when vacancies occur. The offer was rejected.

This dispute was about overtime earnings and not about basic rates. Booker believes that its Middlebrook subsidiary took the actions necessary to safeguard the company's future and to protect the long term interests of the great majority of employees who have continued to work normally.

ends

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