

United Natural Foods Workers Strike In WA

The Associated Press

NEW YORK (AP) — A strike by United Natural Foods workers in Washington will likely lead to higher costs for the food distributor for replacement workers, an analyst said Wednesday.

Employees at United Natural Foods' distribution plant in Auburn, Wash., went on strike Monday, in part because of wage issues. The workers are represented by the Teamsters Union.

United Foods said in a statement on Tuesday that union claims that the company has engaged in unfair labor practices are entirely baseless and without merit.

United Foods said it had no choice but to enact its strike-related contingency plans and hire replacement workers, as the strike is taking place during the busy holiday season.

Cantor Fitzgerald's Ajay Jain said in a client note that the strike impacts 165 employees and drivers in the Seattle area. The analyst said that using replacement workers has so far increased United Natural Foods Inc.'s quarterly expense by 1 cent to 2 cents per share.

Jain also said that the company is dealing with several near-term operational challenges, including integrating several distribution plants in Colorado and disruptions caused by the launch of new transportation and logistics systems.

He maintained a "Sell" rating.

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