

# Anheuser-Busch announces closure of two distribution facilities, exposing false job protections in new Teamsters contract

Alex Findijs  
4 September 2024

Anheuser-Busch, the largest brewer in the US, announced plans to close two distribution centers in the US this fall.

The company will close its facilities in Canton, Ohio and Medford, Massachusetts. Canton is planned to close on October 15, affecting 63 employees while the facility in Medford will close down over the first two weeks of November eliminating 193 jobs.

In both instances the distribution of AB's products will be taken over by other companies. In Canton, The Columbus Distributing Co. will take over AB's in-house operations.

In Medford, operations will be transferred to Quality Beverage, which is owned by Martignetti Companies.

These distribution closures come after AB shuttered two of its craft breweries, Wynwood Brewing in Miami, Florida and Golden Road Brewing in Sacramento, California.

Local and industry news sites reported that some employees may be rehired at the facilities under the new management, but it is not clear how many employees will be transferred, if any at all. In the announcement of the Canton closure the company stated that any bumping rights for members of Teamsters Local 92, by which more senior workers might be able to keep their jobs, would not apply to this closure. For the Medford location the company said that there would be "some opportunities" for workers to keep their jobs but did not specify how many or what positions.

According to the *Boston Globe*, Teamsters Local 122 has around 100 members at the Medford facility and they were not offered severance pay.

Ostensibly the closures are a response to a reduction

in volume. North America saw a 1.3 percent reduction in revenue and a 3.2 percent reduction in total volume sold in the previous quarter. However, the region saw a nearly 14 percent increase in earnings before taxes and interest. Internationally, Anheuser-Busch InBev saw a 2.7 percent increase in total revenue last quarter and an underlying profit of \$1.8 billion.

This is in part due to a trend of "premiumization," by which major brewing companies are pushing higher end beers with larger margins to boost profits even if total volume sold declines. The slight downturn in volume reflects this and may have influenced the closure of the two facilities. Even as profits pour in, the company is searching for ways to cut down on costs, especially labor costs, and boost profitability.

The closure of the distribution facilities is an exposure of the Teamsters false claims of the "historic" contract earlier this year. The union bureaucracy claimed to have won extensive job protections for workers, including supposed protections against job loss from brewery closures.

However, the contract language does nothing to stop brewery closures, only offering a vague offer of a job at another brewery in a different part of the country. These positions would be based on "nontraditional work" and a nondescript "maintenance workforce" with no guarantee that workers would preserve their current position, pay or seniority.

In reality, union and management have been in discussions about layoffs and facility closures behind the backs of workers. During a webinar on the contract, in which the Teamsters did not allow for questions or comments from workers, Teamsters lawyer Gabe Dumont admitted that brewery closures had been

discussed with the company but the union hid details on what might be coming for workers.

Workers have a right to know what the union is hiding from them. If the company is preparing to eliminate more jobs then workers must be made aware so they can prepare to fight back against the corporate assault on jobs. The Teamsters bureaucracy opposes this, avoiding strike action at any cost. The Teamsters called off strike action against Anheuser-Busch at the last minute earlier this year, abandoning hundreds of striking Molson Coors brewery workers who were worn down into accepting a sellout contract after three months on strike.

As of this writing the Teamsters have made no official statement on the layoffs let alone put up any resistance to them. Just as the Teamsters abandoned 22,000 workers at Yellow freight to be laid off they are willing to accept job losses in the brewing industry.

This is not simply poor leadership from Sean O'Brien, but a deliberate class policy enforced by the upper middle class functionaries in the Teamsters apparatus. There are 160 bureaucrats like O'Brien raking in \$200,000 or more from member dues and financial reports from the Teamsters show the bureaucracy consumes nearly \$120 million a year in salaries and administration. If workers lose their livelihoods to layoffs this hardly affects the bureaucrats, who are more than willing to sell out workers for stable relations with management.

Layoffs in Canton and Medford are an indication of what is around the corner. The massive tech layoffs from the past two years have spread across major industries. Tens of thousands of workers have been laid off this year as companies seek to restructure their labor force to cut costs and extract as much wealth per worker as possible. Most significantly for members of the Teamsters, UPS plans to replace tens of thousands of workers with automated facilities over the coming years.

To fight these layoffs workers must join with the rank-and-file in other industries and around the world to organize an international counter-offensive against the corporate jobs bloodbath. The union bureaucracy, which is colluding with management to enforce layoffs, must be thrown out and replaced with workers control on the shop floor. This is the task of the International Workers Alliance of Rank-and-File Committees, which

is fighting to abolish the bureaucracy and put the rank-and-file in control of its struggle for better wages, living conditions and the right to employment.



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