

Ark. Nestle Plant Cuts 70 Jobs, Slashes Hours

CURT HODGES, The Jonesboro Sun

JONESBORO, Ark. (AP) — Nestle USA officials told Jonesboro employees Friday that operations will be curtailed, and 70 full-time positions will be eliminated.

The facility's work schedule will be reduced from six days per week to four days per week beginning Feb. 11, factory manager Dan Braswell said. And 70 full-time positions will be eliminated permanently the same day.

Braswell said in a statement that all affected employees will receive separation benefits to ease their transition and will qualify for continuing health benefits through COBRA.

Nestle officials emphasized in the statement that there are no plans to close the Jonesboro production facility.

"We recognize the impact of this decision and felt it was important to share this news quickly," Braswell said. "Our company continues to respond to the economic challenges affecting the food industry. Increased prices for ingredients — including meat, dairy and grains — continue to affect our business. At the same time, our goal to ensure freshness and convenience to our customers is driving our strategy to make our meals closest to where we sell them.

"To do this, we are balancing production regionally among our facilities where we make Stouffer's and Lean Cuisine meals, to more efficiently meet demand," Braswell said. "Of course, shipping costs factor into this decision, given the price of fuel."

Jonesboro Mayor Harold Perrin said he met with Braswell on Friday and assured the Nestle official of the full support of the city in the future.

"Any time we see a loss of jobs in our community we are concerned about both the company and the people who lost their jobs," Perrin said. "We all realize that things like this can happen. I would anticipate as strong as Nestle is, this will be a short period and the company will be able to return to full productivity."

The president and CEO of the Jonesboro Regional Chamber of Commerce, Mark Young, said the good news of this is that Nestle remains a strong and committed part of the Jonesboro economic picture for the future.

"Nestle will continue to employ 600 individuals, and we are delighted about that," Young said. He said the Chamber will continue to work with the company to assure Jonesboro will continue to be a good place for Nestle to grow.

Also, Young said the Chamber will do all it can to help the 70 people who are losing

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their jobs to identify new opportunities here.

In a news release Nestle officials said the company will continue to employ approximately 600 people at the Jonesboro facility, which continues to be a key expansion site for Nestle as it considers growth opportunities.

Braswell held meetings with employees throughout Friday to be sure all employees received the news directly. He said every department in the Jonesboro operation is affected.

Officials explained that in making these difficult decisions, the company followed rules for workforce adjustment, which include length of service for the affected position.

"Obviously, we're managing our business results closely, which led to this decision," Baswell said in a news release.

Nestle officials said other facilities have responded with similar changes previously, and Nestlé will continue to closely analyze business performance across all its manufacturing locations, according to the statement. The officials said the company is introducing important new products in 2013 which should help increase the company's competitive advantage.

When Nestle first announced its investment in Jonesboro, the company forecast it would create 1,000 new jobs. In answer to the question of what happened to that figure, officials said that at the end of 2012, the company said it had reached an employment level of approximately 680 in Jonesboro.

"Back in 2001, we believed our forecast of 1,000 new jobs was reasonable," stated a Nestle news release. "Since then, the country has weathered some serious economic shocks which have affected many U.S. businesses. Fuel costs are much higher, and serious drought in the U.S. has contributed to higher commodity costs. It is disappointing, and stressful to our employees, who have performed well in this sophisticated production facility. But it is reality, and we must deal with the present situation while planning for a brighter future."

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