

# Cargill Plant Cuts 2,000 Jobs in Texas

BETSY BLANEY, Associated Press

LUBBOCK, Texas (AP) — Cargill Beef announced Thursday that it will idle one of its two West Texas meatpacking plants and lay off all 2,000 workers because of a tight cattle supply following years of drought.

The number of cattle in the U.S. has been dropping for years, but the pace accelerated during the past two years as ranchers in central and southwestern states sold off millions of animals they couldn't afford to feed after drought dried up pastures and sent the prices of hay and other feed skyrocketing. The slaughter began to slow in the fall as many ranchers tried to hold on to the relatively few cattle they had left.

Ranchers have said it will take years to rebuild their herds once the drought ends, and Cargill said it didn't expect business to rebound soon.

"The decision to idle our Plainview beef processing plant was a difficult and painful one to make and was made only after we conducted an exhaustive analysis of the regional cattle supply and processing capacity situation in North America," Cargill President John Keating said in the release.

The company said workers in Plainview will be let go Feb. 1, and plants in Friona, Texas, Dodge City, Kan., and Fort Morgan, Colo., will get cattle that previously would have been sent to Plainview.

Cargill is the largest employer in Plainview, said Mayor Wendell Dunlap.

"Our town has about 22,000 people. We lose 2,000 jobs, it's bound to have a major effect on our economy," said Dunlap, who's been mayor since March 2012 in the city about 50 miles north of Lubbock.

Cargill will take applications for its other plants from workers targeted for layoffs, and the city will have its own job fair in early February, Dunlap said.

"But we have a long-range plan in the works for attracting new businesses and bringing new jobs to the city," he said.

Cargill Beef, which is based in Wichita, Kan., also has plants in California, Nebraska, Pennsylvania and Wisconsin, along with two in Canada. It said it would try to move some workers from Plainview to its other operations.

The United Food and Commercial Workers Union, which represents workers at the Plainview plant, expressed concern in an emailed statement about transfers to other Cargill plants, saying workers should retain their seniority and other rights.

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Cargill said it could reopen the Plainview plant if cattle numbers rebound in coming years.

Keating said the company delayed the decision to idle the plant as long it could, hoping the drought would break, pastures would rebound and ranchers would be able to hold on to their animals.

"Unfortunately, the drought has not broken, feed costs remain higher than historical averages and the herd continues to shrink," Keating said. "The industry has experienced this cycle in the past, although this one is longer and more severe than most."

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Associated Press writer Terry Wallace in Dallas contributed to this report.

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