

Scottish meat processing plant closure threatens 1,700 jobs

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Around 1,700 jobs are under threat in the small town of Broxburn, near Edinburgh, Scotland. Food processing firm Vion UK has threatened to close its Hall's of Broxburn pig slaughter and processing plant.

This affects 1,150 permanent and 595 agency workers, who were told last week that a 90-day "consultation period" had begun during which the company will seek to extract enough concessions from the workforce to allow the plant to remain open.

Vion UK is one of a handful of abattoir and meat processing companies dominating the British market. The Dutch-owned Vion NV parent company, with a global turnover of €9.5 billion and employing 26,500 workers worldwide, inherited the Broxburn plant when it purchased the Grampian Country Food Group in 2008. Vion has 46 sites in the UK, along with 63 in Germany and 90 in the Netherlands.

The closure threat is a part of Vion's European-wide "Balancing the Future" restructuring programme, to defend profit margins as economic slump and changing consumer preferences alter food buying habits. Vion UK lost £39.6 million last year, during which it closed plants in Sheffield and Doncaster at a cost of 460 jobs.

The Broxburn plant slaughters 8,000 pigs a week, processing the carcasses into sausages, black pudding, bacon, pies and similar products. Its capacity is as high as 20,000 carcasses but is competing against European operations with a capacity of 60,000 pigs a week.

The company intends to focus on the most lucrative areas of its business, as well as reorganising and rationalising its management and support operations to

reduce the wage bill. Entire product ranges are expected to be dropped, while job losses are being prepared in the company's other key markets.

In addition to the Broxburn workers, 340 workers are losing their jobs in the Netherlands along with 290 in the company's German operations, mainly in the town of Wunstorf, near Hanover. As part of the same plan, the company is expanding its operations in Northern Ireland. Vion's Cookstown plant, which is in direct competition with Broxburn, intends to take on 164 workers. Vion aims to make the Cookstown facility the largest meat processing plant in Ireland.

Vion recently purchased Eastman Gel from Eastman Kodak, to allow the company to take over a major share of the North American gelatine industry. It is also seeking to expand operations in the BRIC countries.

Closure of the Broxburn plant will devastate the small town, whose total population is around 12,000. Many workers at the 30-year-old plant will not readily find alternative work. Across West Lothian, in which the Hall's is the third-largest private sector employer, some 7,200 workers are reported to be chasing a mere 900 vacancies. Unemployment is currently around the national average of 7.9 percent, and youth unemployment stands at 9.9 percent.

The closure also threatens numbers of pig farmers with ruin, as the increased costs of transporting live animals to the nearest alternative site, reported to be York, will imperil marginal small-farming operations. Rearing pigs, which draws no subsidy from the European Union's Common Agricultural Policy, has declined by 50 percent over the last 10 years in

Scotland, while UK pig production costs are generally 12 percent higher than in Europe.

The response of retail workers' trade union USDAW, representing 800 workers at the plant, was to express concern for the company's profit margins. Stewart Forrest, Deputy Scottish Divisional Officer, told the press that having been informed of Vion UK's losses, the union had persuaded workers earlier this year to cancel annual pay negotiations.

Forrest also focussed on the Cookstown plant, blaming workers in Northern Ireland for Broxburn's problems. "We were certainly not aware of this investment at another Vion site which we see as a mirror image of the Broxburn one," he said. "We will be raising it as part of the consultation to see if this investment has had any implications on what has happened here."

The USDAW's response is identical to that of the Unite union in another Vion plant in Cambuslang, Glasgow. Earlier this year, 300 workers struck in pursuit of a pay increase in the notoriously low-paying industry. It followed a 91 percent vote for a strike.

Unite called off a planned series of rolling strikes on "key production dates" on hearing news that Vion had lost a poultry contract with Sainsbury's supermarket chain, 40 percent of which was supplied from the Cambuslang site.

The closure threat is a debacle for the Scottish government, which last year handed over £1.5 million to Vion at Broxburn on the basis that the company would create 250 posts and 100 apprenticeships. The Scottish finance secretary, the SNP's John Swinney, launched a task force to attempt to keep the plant open. The USDAW, Vion management, West Lothian Council, local MPs and numerous industry and local investment agencies are also participating. The British government's Scottish Secretary, Michael Moore, also supported a "united team Scotland approach".

Scottish first minister Alex Salmond ostentatiously visited the plant, posturing as an ally of Hall's workers. Salmond's preferred option is to find a new buyer.

Morrison's supermarket chain's own meat-processing operation has been touted as a possibility.

Any rescue package will inevitably be based on further concessions, both in terms of jobs and wages, and on tax handouts.

No confidence whatsoever should be placed in the trade unions, the main political parties or the investment agencies. An independent action committee must be set up to seek support from all Vion workers and the broadest layers of the working class in Britain, Ireland and internationally.



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