

Danville, Illinois Quaker Oats plant to close, laying off over 500 workers

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On Wednesday, the Quaker Oats Company announced it will permanently close its factory in Danville, Illinois. The plant will close in early June, eliminating 510 jobs.

The Danville Quaker Oats plant is one of the major employers in the small city of less than 29,000 people. The closure will mean that nearly 2 percent of the town's population will now be without work.

Danville's unemployment rate already stands higher than the statewide and national average. In January, Danville reported an unemployment rate of 6.6 percent compared to the 4.7 percent recorded for Illinois as a whole. Nationwide the current unemployment rate stands at just below 4 percent. According to the latest census data Danville currently reports that over 25 percent of its residents live below the poverty line. The per capita income of the town is just \$24,786 per year.

Historically, Danville has been impacted heavily by economic crises. In the years following the 2008 recession, unemployment in Danville reached nearly 14%.

The city once was home to nearly 43,000 in the 1970s, when it was a hub for manufacturing. The area was home to a major General Motors foundry that employed over 2,700 workers as well as a General Electric plant and a Hyster forklift factory. All are now closed.

Quaker Oats claimed in a statement that a recent product recall involving potential salmonella contamination was to blame for the closure of the plant. "Following the Quaker recall in December 2023, we paused production at the (Danville) facility. After a detailed review, we determined that meeting our future manufacturing needs would require an extended closure for enhancements and modernization. In order to continue the timely delivery of Quaker products trusted

by consumers since 1877, we determined production would need to permanently shift to other facilities."

The news comes as four other manufacturing companies in Illinois have also announced layoffs since the start of the new year. In addition to the Quaker plant, the electric car company Rivian, Blommer Chocolate Company, and Monterey Mushrooms have all announced layoffs totaling more than 1,000 workers.

In 2023, PepsiCo, which owns Quaker Oats, recorded a net income of over \$9 billion. Its 2023 4th quarter financial report laments that the Quaker recall caused the operating profits for that branch of the company to decline by 19 percent. But even with the recall, the Quaker division still recorded nearly \$500 million in profits in 2023.

The workers of Danville, many of whom have spent decades working at the factory, will now struggle to find new work to survive. In the aftermath of the closure announcement many workers posted statements on Facebook explaining how the closure of the plant has affected them.

One worker wrote, "As someone who works in the area, this is 510 of some of the best jobs locally. Most factory workers wanted jobs at Quaker at some point. Going to cause a lot of issues for an already economically depressed community."

Kimberly Ellison, a worker at the Danville plant posted a statement on her Facebook page detailing the mass firing by Quaker:

On Wednesday, April 3rd, I attended a crucial meeting at Quaker in Danville IL that would determine our future at the plant. As I looked around the room and spoke with my friends, it

was clear that not everyone saw this day coming.

Despite seeing this day approaching for months, its impact still hit hard as we listened to the Lady speaker deliver devastating news: no answers or job security left many of us in tears as we exited the conference building.

After hearing about the uncertain fate the mood turned somber; there were streams of tears falling down faces when people had no choice but leave without getting any answer they needed—myself included since by then all feelings got intensified making me feel heartbroken. I loved Quaker Oats. I loved my Job.

This will be a day I will never forget.

Ellison's post was met with a mass outpouring of support from coworkers and members of the Danville community. One Quaker worker responded, "When it's been my life for 20 years, it's going to be hard to transition to something else. Especially when you loved your job so much."

Another said, "I kept telling myself it wouldn't happen, but I think in reality I knew. I loved my job, but I loved the people more. That's been the hardest part of all of this for me... so many wonderful people... I'm going to miss everyone, but they will never break the bonds that were formed."



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