

Kellogg's to close Omaha, Nebraska plant, destroying 550 jobs

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On Tuesday, WK Kellogg Co. announced it will close its cereal plant in Omaha, Nebraska, by the end of 2026 and gut production at its plant in Memphis, Tennessee. The company said it will increase production and investments at its plants in Battle Creek, Michigan; Lancaster, Pennsylvania; and Belleville, Ontario. Even taking this into account, 550 jobs will be permanently destroyed.

A majority of the workers affected are members of the Bakery, Confectionery, Tobacco Workers, and Grain Millers International Union (BCTGM). The union bureaucracy's response to the announcement has been nothing short of pathetic, confirming it will do nothing to fight the cuts.

BCTGM Local 50G President Kenneth Merritt said, "It's a very, very early announcement, so it gives us a little hope and opportunity to think that something could change."

Last October, Kellogg split into two separate companies, dividing into the cereal brand WK Kellogg Co. and the snack brand Kellanova.

The company announced its second-quarter financial results earlier this week, reporting revenue of \$672 million, down 4 percent from the second quarter of 2023. However, net income increased to \$31 million, up 15 percent from the second quarter of 2023, with a profit margin of 4.6 percent, also up from 3.9 percent in the second quarter of 2023.

In February, the company announced net sales for 2023 of \$2.763 billion, a 2.5 percent increase from the prior year, with net income for the full year rising to

\$110 million, a massive 540 percent increase from the previous year.

The company is again on a trajectory to make billions in sales in 2024 and 2025.

The sold-out 2021 strike

These layoffs are possible only because of sellouts by the BCTGM bureaucracy. In 2021, 1,400 Kellogg's workers went on strike for nearly three months at four cereal plants, including the Omaha plant, as well as the Battle Creek, Michigan; Lancaster, Pennsylvania; and Memphis, Tennessee plants. The company was ruthless, threatening to carry out mass firings in retaliation against the walkout.

The final contract, passed under suspicious circumstances, was pushed through by BCTGM officials, who isolated the striking workers, forced them to vote on nearly identical contracts to wear them down, and used internet censorship to suppress discussion and criticism of the union and the contract.

A leaked management email revealed the deal "just shifts money from one bucket to another" with no increase from the previous offer, adding: "We are confident this will pass [because] most of the union's negotiating committee is for this and plans to recommend it."

Workers' central demand was an end to the hated two-tier wage structure, under which "transitional" employees make substantially less than "legacy" workers. Instead, the new contract expanded it, removing limits on the number of "transitionals" the company could hire at each plant. The contract also

included meager 3 percent wage increases, a de facto wage cut due to inflation.

In a revealing statement, former union President Dan Osborn said he did not think the plant closure was a form of payback by the company for the strike, because he insisted, “That contract that we had at the end of the strike wasn’t very lucrative in the fact that we didn’t get huge bonuses like they did at John Deere,” he said. “We basically preserved what we had.”

In opposition to this, the WSWs urged workers to take the control of the strike out of the hands of the bureaucrats and appeal for the broadest support in the working class to expand the strike. In particular, the WSWs emphasized the need to establish lines of communication between Kellogg’s workers in other countries, and cited the role of Warwick Dove, one of 150 laid-off Australian Kellogg’s workers, in the 1995 strike in the US.

Responding to the announcement, a worker commented on Facebook, “This is why you don’t give your life and family time to a company! They don’t care about anything other than the bottom dollar.”

Another commented, “Let’s not forget, this also impacts many other companies who store their products (many warehouses locally) and also trucking companies who haul these products out of Omaha!”

Build rank-and-file committees to defend jobs!

The pending plant closure and layoffs are part of an ongoing jobs bloodbath. In all, more than 124,000 jobs have been eliminated by 384 companies in the United States. The unemployment rate is steadily rising, as is the threat of a recession, which would place even more jobs and plants on the chopping block.

However, this fight is not over. Jobs and livelihoods can and must be defended, but this requires workers taking control and establishing rank-and-file committees across plants in Battle Creek, Michigan; Lancaster, Pennsylvania; Memphis, Tennessee; and Omaha, Nebraska, to fight for the defense of jobs and against plant closures.

Committees should reach out to other sections of workers in the union and in different industries.

Demonstrations and actions should be planned and organized. Workers should link up with the IWA-RFC (the International Workers Alliance of Rank-and-File Committees) and build lines of communication across the country and internationally. There is no time to lose! Jobs can be defended, and livelihoods can be improved, but it requires a break with the union bureaucracy and the democratic assertion of workers.



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Socialist Equality Party visit:

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