

Local union silent on Parmalat woes

Steel Dec 23/03 p. 4

• Continued from page 1.

They include 360 unionized workers at the plant on Black Diamond Road, as many as 57 at the warehouse on Jamieson Bone Road and the rest at a storage facility on Hannah Court.

The local union did not return telephone calls either Monday.

Ed Sorensen, vice-president of operations for Parmalat's dairy food group at the time of the contract ratification last April, said the Belleville operation is the company's only cheese cut-and-wrap plant in Ontario and remains "key" to Parmalat's future.

"We have just concluded a multi-million dollar capital investment to improve plant efficiencies," said Sorensen, who is no longer with Parmalat. "This ensures the ongoing cost competitiveness and viability of the Belleville plant."

The Belleville operation is one of 20 plants owned and operated by Parmalat Canada in Canada.

Other plant locations include Niagara-on-the-lake, Thunder Bay, Sudbury, Brampton, Calgary, Lethbridge, Winnipeg, Montreal, Victoriaville and St. Hyacinthe.

Parmalat Canada has been in Canada since 1998 and produces such products as Black Diamond Cheese and Cheesestrings, Lactantia butter, Parkay Margarine, Beatrice products and Sensational Soy.

Parmalat has grown from a little business in the north of Italy to become a global leader and one of the world's fastest growing dairy and food companies.

According to the company's website, Parmalat employs more than 36,200 people in 146 plants on five continents.

It has annual sales of \$9.2 billion US, produces and sells milk, yogurt, juice and other food products.

However, the company made international headlines Friday when it stated that the Bank of

America Corp. was not holding about 3.95 billion euros, roughly \$4.91 billion US, of its funds that the Italian company had reported in September. The letter guaranteeing the funds was fake, the bank said.

The company held a round of meetings over the weekend with lawyers, accountants and advisers.

Friday's Parmalat announcement confirmed investors' fears that the company, which nearly defaulted on a 150-million euro, or \$186.5 billion, bond last week, was in worse financial condition than stated on its Sept. 30 balance sheet. It also fueled accusations by ratings agency Standard & Poor's that Parmalat had misled investors.

Late Friday, S & P downgraded Parmalat to D, its lowest rating, saying the company's failure to buy out minority shareholders in its Brazilian subsidiary by a Wednesday deadline represents a default under its criteria.

Intelligencer - December 23, 2003 p. 4