

# **BPI Laying Off 86 after 'Pink Slime' Controversy**

GRANT SCHULTE, Associated Press

LINCOLN, Neb. (AP) — The maker of the beef product dubbed "pink slime" by critics said Monday it was laying off 86 employees from its corporate office in South Dakota, citing what it calls a misinformation campaign about a product that food-industry experts agree is safe.

Beef Products Inc. executives said this is the second round of layoffs resulting from the intense negative publicity about the company's lean, finely textured beef. BPI has said it took a "substantial" financial hit after social media exploded with worry over the product and an online petition sought its ouster from schools.

The company confirmed earlier this month it was closing its three plants in Kansas, Texas and Iowa, resulting in 650 lost jobs. A fourth plant in Nebraska will remain open but at reduced capacity.

The latest job cuts will hit the company's accounting, logistics, engineering and human resources departments, as well as a machine and assembly shop in South Sioux City, Neb.

"We are deeply saddened by today's events," Regina Roth, the company's co-founder, said in a statement. "This causes very personal heartache for us. We are not some big conglomerate, but a small family-owned business. We personally know and have worked side by side with these people and our family business will never be the same with this loss."

Making the product involves heating bits of beef and treating it with a small amount of ammonia to kill bacteria. The process has been used for years and meets federal food safety standards.

BPI has declined to discuss financial details since the onslaught of social media criticism and the online petition drew hundreds of thousands of supporters. The U.S. Department of Agriculture has decided that school districts may stop using the meat, and some retail chains have pulled products containing it from their shelves.

Company officials have said they hoped to recover but have since realized that doing so wasn't possible in the near future.

Eldon Roth, a company co-founder, said BPI has worked for the last 30 years to produce the "safest, highest-quality, all-natural lean beef that has been enjoyed by millions of Americans."

"We continue to stand by our product as 100 percent safe, wholesome and nutritious," he said. "We're convinced that consumer demand for our high quality lean beef will return."

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BPI spokesman Rich Jochum said the company will offer severance benefits and continue paying employees for 60 days. Jochum praised the workers, saying the company would be working with other companies in the region and within the industry to help them find jobs.

"Based on the level of dedication, commitment and capability our employees possess or demonstrate, we are confident that any number of other employers will be anxious to make them part of their team," Jochum said.

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