# Maker of 'Pink Slime' Continues to Struggle

SIOUX CITY, Iowa (AP) — The beef-processing company that makes the product that critics call "pink slime" continues to struggle more than a year after the initial stories on the lean bits of beef that Beef Products Inc. makes.

The Sioux City Journal [1] reports the Dakota Dunes, S.D.-based company lost 80 percent of its business after the uproar over what BPI calls lean finely textured beef.

The meat BPI separates from trimmings with heat and treats with ammonia to kill bacteria used to be widely used in hamburger, but consumers objected to it after media reports depicted it as unsavory.

Many schools and retailers pledged to stop using BPI's products after the "pink slime" reports, and the company saw demand fall to 2 million pounds a week from the previous 5 million pounds a week.

The private company closed three of its four plants, scrapped expansion plans in South Sioux City and eliminated more than 700 jobs, which won't return soon. The plants that closed were in Waterloo, Iowa; Amarillo, Texas; and Garden City, Kansas.

BPI spokesman Rich Jochum said the company has had little success winning back customers.

The company has filed a $1.2 billion defamation lawsuit against ABC News and scientists who criticized the product, and that lawsuit is pending.

The outcome of BPI's defamation lawsuit could affect the company's future, but legal experts say BPI will still have a difficult time succeeding with its lawsuit.

"I think BPI probably has a pretty steep uphill climb to win the case," said Erika Eckley, a staff attorney at the Center for Agricultural Law and Taxation at Iowa State University.

Former BPI employee Oscar Gomez said it's unfortunate so many people lost their jobs. Gomez, who serves on the South Sioux City, Neb., City Council, was able to find a job at a credit union because he has a banking background.

"It worked out for me," Gomez said. "I'm sure other people didn't have those options."

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Information from: Sioux City Journal, http://www.siouxcityjournal.com [2]

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