

KRAFT FOODS CUTS 1,600 JOBS



When you think about the foods you buy in the store you are probably thinking about how they will taste when you get them home, not about the jobs that your food represents, but that food is made, packaged and shipped to the store by a myriad of people. The odds are that some of those people work for the Kraft Foods Company. Kraft Foods recently made an announcement that they are going to layoff about 1,600 workers from their North American operations. The layoffs are part of a plan by the corporate management to split the company into two different companies. In order to make the split effective the company has to get rid of some serious staff. About 40% of the cuts to the staffing will come from the sales staff in the US and the corporate office. While we do not know the exact date of the layoffs we know that some of the cuts will come to fruition in the next 12 months, as the reorganization comes in to full swing. The CEO of the company, Irene Rosenfeld, made the following statement about the changes to the company to a reporter for [Business Insider](#) and said the following. "When we announced our decision to create two world-class companies last August, we said both would be leaner, more competitive organizations. For the past year, the North American team has been working to streamline operations to deliver sustainable top-tier performance and continue to invest in our iconic brands. We're confident that this transformational work will improve effectiveness and fuel the future growth of both companies." A large portion of the Kraft business, retail grocery stores and convenience stores, will have their marketing business outsourced to two different companies. The snack business for Kraft will be the only part to keep their only in house sales staff. As part of the changes the company will close facilities in Tarrytown N.Y., East Hanover, N.J., and Glenview, Ill, and move those operating to the Chicago area in the next couple of months. The company will, for the time being, keep its office space in Canada. Kraft is not the only food related company to layoff staff in the recent past. About a year ago Cub Foods had to layoff staff in order to stay in the black. For those of you who missed the [earlier coverage](#) here is an excerpt: "The Midwest grocery chain, Cub Foods, will cut 200 part time jobs from their locations in the Twin Cities. The layoffs come amidst reports that Cub Foods' parent company, Supervalu, Inc. is having financial troubles. Spokesman for Supervalu, Mike Siemienas, told reporters, "We consider this really the dog days of the grocery business, so to speak." He also said, "Optimizing our structure will allow us to operate more efficiently and effectively and ensure that we are positioned for long-term success." The 200 part-timers equates to about 3.6 percent of the Cub Foods staff. In 2010, Supervalu was forced to cut 300 corporate jobs, and Craig Herkert, CEO of Supervalu, indicated that there would be 350 more corporate layoffs before May of this year."

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