

IOWA WORKFORCE DEVELOPMENT
**QUARTERLY
INDUSTRY REVIEW**

2009 2nd Quarter

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Deere & Co. Announces Layoffs



Photo: www.deere.com

Ottumwa—As reported by the *Des Moines Register*—Deere & Co. will temporarily lay off almost 700 of the 980 employees at its Ottumwa Works factory; citing the need to align production with market demand.

John Deere Ottumwa Works makes pasture and hay harvesting equipment for livestock producers, who have responded to poor beef market conditions by cutting back on their pastures in favor of more row crop production.

The Moline, Ill., company will lay off 494 workers indefinitely beginning June 29. Another 195 workers will, according to Deere's statement, face periodic inventory adjustment layoffs throughout the next several months.

Deere is Iowa's largest manufacturing employer, with about 12,000 workers, including those temporarily laid off Tuesday. This year the company has laid off about 900 employees in Iowa, including 140 production workers in Ottumwa.

CENTRAL IOWA MANUFACTURING

Garner—As reported by the *Des Moines Register*—Nortech Systems Inc. says it will close an electronics manufacturing facility in Garner by early August and shift its operations to a plant in Merrifield, Minn., to cut expenses.

The Wayzata, Minn., company said Friday it would eliminate all of the plant's 57 hourly and salaried positions. A spokesman said about six employees will be offered transfers to other Nortech facilities.

Nortech Systems purchased the Garner plant from Suntron Corp. for an undisclosed amount in February 2007.

Central Iowa Continued on Page 2

EASTERN IOWA MANUFACTURING

Bettendorf—as reported by the *Tribune*—A spokesman for Alcoa Inc. said the second round of layoffs so far this year at its Davenport Works may cost another 250 to 275 hourly workers their jobs.

Alcoa spokesman John Riches said Thursday the work force reduction was caused by a drop in business volume that began late last year and continued through the first quarter of 2009.

Riches said the exact number of employees to be cut will be announced at the end of talks with leaders of the steel workers and electrical unions over the next few weeks.

Eastern Iowa Continued on Page 3

CENTRAL IOWA

CONSTRUCTION

Clive—*As reported by the Messenger*—An Iowa-based company that has been building town houses in Omaha has cut back to one employee - the owner - while he works

with his lenders on new financing.

Triton homes owner Joel Goodman says slow sales have forced him to stop work at two subdivisions and delay plans for a third development.

Goodman, who is based in Des Moines, hopes to clear up liens against his company and pay other overdue bills soon so he can resume work.

FINANCE & INSURANCE

Des Moines—*As reported by the Daily Nonpareil*—A layoff by Nationwide Mutual Insurance Co. is affecting Iowa.

Officials say 16 information technology workers in Des Moines are included in the company's decision to cut 480 jobs across the country.

Nationwide spokesman Eric Hardgrove said the layoffs were announced and took effect April 3.

MANUFACTURING

Mason City—*As reported by the Globe-Gazette*—Curries laid off 42 production workers at its door plant on Friday, said Mark Evers, director of human resources. Again it's the economy and order-driven, he said. Last week Curries said around 50 layoffs were imminent but they weren't finalized until Friday. Around 225 people worked at the door plant before the layoffs, Evers said. Curries laid off 92 workers in February.

Ft. Dodge—*As reported by the Des Moines Register*—Less than a month after assuring workers that none would be laid off, London-based agriprocessor Tate & Lyle has announced it will cut more than half of its workforce at its ethanol production plant west of Ft. Dodge.

Spokesman Chris Olsen said 56 out of 90 workers were laid off April 2. Twenty of the remaining workers will be retained to preserve equipment and prepare the plant for a possible restart. The rest of the remaining workers will be transferred within the company.

Olsen said unfavorable market conditions for ethanol - of which Tate & Lyle planned to produce 100 million gallons this year - forced the company to idle the plant. Olsen said Tate & Lyle will resume production if conditions improve.

Ankeny—*As reported by the Des Moines Register*—Deere & Co.'s layoffs grew as its Ankeny factory announced plans to cut 160 of its 1,400 employees, effective April 27.

The company said the Ankeny layoff is due to reduced market demand for products, such as tillage, planting, spraying and cotton harvesting equipment.

The layoff is the first at Ankeny since a 10-week shutdown in August 2001. The plant had 700 employees at that time, about half the workforce of today.

Albia—*As reported by the Ottumwa Courier*—An Albia business abruptly closed its doors this week leaving employees and community members wondering why.

DeLong Sportswear which manufactures award jackets and other sportswear items in Albia, closed Monday without much notice.

About 40 people lost their jobs.

Marsha Leffler, former assistant manager at the Albia DeLong plant, said the closing was a surprise to everyone. "The corporate office called the plant on Monday. They called down to the plant and told us to lock the doors, that DeLongs was officially out of business and to send everybody home," Leffler said. "I couldn't really tell you exactly why it closed."

Mason City—*As reported by the Des Moines Register*—A Mason City cement company has reduced hours for most of its employees to avoid layoffs. The work week for about 100 employees of Lehigh Cement Co. was cut to 32 hours on Monday. Company officials said the reduction reflected a decreased national demand for cement and building products.

CENTRAL IOWA

MANUFACTURING

Continued from Page 2—Jeff Sieg of the company's parent firm, Lehigh Hanson Inc. of Texas, said the reduction was temporary and that workers would return to normal schedules as production increased.

Webster City—*As reported by the Messenger*—About 150 Electrolux employees will lose their jobs later this month as the company shifts some of its washer and dryer production to Mexico.

Hampton—*As reported by the Creston News Advertiser*—Winnebago Industries Inc. says it will close a fiberglass factory in Hampton because of lower demand for its motor homes and that it would continue to evaluate its production capacity. The factory makes fiberglass components for the company's motor homes. Its closure will result in the loss of 40 salaried and hourly jobs. Winnebago Chief Executive Bob Olson says in a statement on Thursday that the market for the company's motor homes continues to be challenging and that it's important to downsize to the market's demand.

Ames—*As reported by the Daily Times Herald*—An Ames company has announced it will lay off 145 workers because of decreased orders.

Sauer-Danfoss says in a news release that it will cut the positions from three locations in Ames. The company makes hydraulic, electrical and electronic system components.

The cuts brings to 450 the number of positions eliminated since the company employed 1,150 workers in 2008.

Human Resources Director Matt Bendler says the company decided to make the cuts because of a continued decline in customer orders.

EASTERN IOWA

EDUCATIONAL SERVICES

Cedar Falls—*As reported by the Clinton Herald*—University of Northern Iowa officials say they plan to trim 100 jobs in the coming year.

President Benjamin Allen says layoffs are possible. But he hopes to avoid them with attrition, a hiring freeze that's already in place and federal stimulus money.

About 50 positions are empty as a result of the hiring freeze.

FINANCE & INSURANCE

Cedar Rapids—*As reported by the Des Moines Register*—Aegon U.S. is moving 125 positions from Louisville, Ky., to its Cedar Rapids offices. The Business First of Louisville reports that Aegon USA Investment Management will eliminate 13 positions in its Louisville offices at Aegon Tower during the next few weeks.

It is also moving 125 positions, which handle certain life insurance administrative functions, to Cedar Rapids in the next several months. Aegon U.S. has more than 600 employees in Louisville among several operating divisions.

HEALTH CARE & SOCIAL ASSISTANCE

Iowa City—*As reported by the Des Moines Register*—The University of Iowa Hospitals said Tuesday it will cut its work force through layoffs, retirements and attrition.

The hospital, a 680-bed facility with an annual budget of about \$860 million, has already trimmed its expenses by \$23 million for the fiscal year ending June 30, officials said.

"It has not been enough," said Jean Robillard, vice president for medical affairs. "The hospital must cut \$45 million by June 30, 2010, in order, to have a 1 percent profit margin," Robillard said. Reducing the 6,600-person work force will be part of the \$45 million cut, but hospital officials won't yet say how many positions will be eliminated or how much will be saved.

"We are still in discussions with the Board of Regents about the number of positions," Robillard said.

EASTERN IOWA**MANUFACTURING**

Continued from Page 1—So far, 42 salaried and 125 hourly workers have been laid off at the plant since January. Riches said another 72 hourly employees voluntarily quit the company.

Ottumwa—*As reported by the Tribune*—Deere & Co. announced it will lay off 40 workers at its plant in Ottumwa. Public Relations Director Ken Golden confirmed the layoffs. The cuts will take affect April 20. The company said production workers with the least experience are in line for the layoffs.

Muscatine—*As reported by the Muscatine Journal*—HNI Corp. officials said the economy's dragging effects on office furniture sales forced another round of layoffs in Muscatine.

"We're not releasing the numbers," said Gary Carlson, HNI's vice president of member and community relations. "They're across the organization."

Carlson said employees had been working shorter weeks to prevent additional layoffs, but "there's a certain point where you have to make a more permanent adjustment."

Grinnell—*As reported by the Poweshiek County CR Chronicle Republican*—The City of Grinnell was shocked to hear the rumors of DeLong closing its doors, but perhaps those most shocked by the news were DeLong workers themselves.

According to DeLong Executive Director Sharp Lannom, administrators made the announcement at the end of the workday Monday, April 20, that DeLong would close all locations including plants in Albia and Ottumwa.

DeLong has struggled for several years with its finances, said Lannom. Several years ago the company witnessed a sharp decline in profits.

Lannom cited the unsteady economy and a bad business economy as factors in the company's closure.

Cedar Rapids—*As reported by the Des Moines Register*—Midland Forge is closing its Cedar Rapids plant and moving the operations to Tennessee, according to a labor official. Midland Forge, which employs approximately 100 people in Cedar Rapids, is negotiating severance terms with the International Association of Machinists and Aerospace Workers.

Columbus McKinnon Corp., Midland Forge's parent company, wants to move operations from Cedar Rapids to Chattanooga, TN, where its Dixie Industries unit operates. No closing date has been established for the plant.

Waverly—*As reported by the Waterloo-Cedar Falls Courier*—Another round of layoffs is coming to Terex Cranes. Mayor Ike Ackerman confirmed reports that the crane manufacturer, which has had a presence in Waverly for more than 60 years, will put more than 100 people out of work.

Were going to have our economic development director work with them to see what we can do to help Ackerman said. But on an overall basis, the difficulties at Terex are caused by a national decline. There aren't a lot of cash customers out there, and its difficult to get financing for purchases of expensive equipment. The company reportedly also plans temporary shutdowns from May 18 to June 19 and August 3-7. The month long shutdown would be Terex's second in three months. The company, which is based in Westport, Conn., wiped out a second shift and laid off 150 workers in Waverly at the end of January and idled the plant between mid-March and mid-April. That closure affected the 288 full-time employees and 28 contract workers.

The plant, which makes boom trucks, truck cranes and rough terrain cranes, had more than 350 employees before the first round of cuts. Many were members of United Auto Workers Local 411 in Waverly. Calls to the plant and Rick Nichols, president of Terex Cranes in Westport, were not returned. According to the Wall Street Journal, Nichols this week said the company's global crane sales fell 29 percent in the first quarter from a year ago.

Muscatine—*As reported by the Quad-City Times*—All-Steel, a Muscatine-based office furniture manufacturer, laid off an undisclosed number of employees earlier this week. Layoffs, sparked by a sluggish economy, affect both salaried and hourly positions in the manufacturing operation, Gary Carlson, vice president of member and company relations said.

EASTERN IOWA

MANUFACTURING

Burlington—*As reported by the Times-Republican*—Case New Holland has announced it will lay off 150 employees at its plant in Burlington.

Sumner—*As reported by the Des Moines Register*—Rockwell Automation Inc. says it will close its plant in Sumner in northeast Iowa by the end of 2010, affecting 163 workers.

The Milwaukee-based company notified workers on Tuesday, saying the work will be moved to plants in Wisconsin and Mexico. Rockwell Automation also announced it would close its plant in Dublin, Ga., by July 2010, affecting 145 workers. Rockwell Automation makes devices and software used to automate machinery in the food and beverage, automotive, oil and gas, and other markets.

Its plant in Sumner opened in 1995.

Grundy Center—*As reported by the Grundy Register*—The effects of a national recession have caught up with a local manufacturing facility.

Grundy Center's NCM, a manufacturer of air filtration for automobiles, will close within 13 to 14 weeks, according to NCM President and COO Jerry Bakker.

Bakker made the announcement Friday to NCM's 86 employees.

"Things were very, very tight with business being down," Bakker said. "But then, we saw General Motors (situation) as we were forecasting what that was going to do to us, we saw that we were going to be in an extreme cash crunch by the end of June."

And it was a big crunch.

Bakker said their business year-to-date has been down over 50 percent.

"Normally we would have survived something like that had our normal business been up and running," said Bakker, "but with all of the industries we serve being down, we knew something had to happen."

Fort Madison—*As reported by the Times-Republican*—Detroit Tool Metal Products says it's closing its plant in Fort Madison and consolidating operations at one central facility at its headquarters in Lebanon, Mo.

The company, in a statement, says the Iowa plant would close by the end of the year in an effort to cut costs and become more competitive.

Spokesman Art Fiacco says the plant has 130 workers.

RETAIL TRADE

Cedar Rapids—*As reported by DesMoinesRegister.com*—Retailer Nordstrom Inc. is laying off 62 workers at its customer center in Cedar Rapids. The Seattle company cited soft market conditions and a recent \$50 million upgrade of the distribution center in Cedar Rapids.

The expansion of the Nordstrom Direct facility a year ago was aimed at improving efficiency in anticipation of increasing business, but the market hasn't generated the demand, a spokeswoman said.

Nordstrom also is laying off 10 employees at its Seattle contact center. The spokeswoman said the layoffs totaled about 10 percent of the work force at the two locations.

Cedar Rapids—*As reported by the Gazette*—Mickey Chrysler Dodge in Cedar Rapids, stuck on Chrysler's closing list without explanation, is planning to close at the end of business today.

The dealership found out on May 14 that it was one of about 789 dealer franchises canceled by Chrysler in its Chapter 11 bankruptcy proceeding.

EASTERN IOWA**RETAIL TRADE**

Continued from Page 5—"Initially, it was a shock," said co-owner and General Manager Robert Olson. "We really didn't expect it to happen."

Olson said Chrysler never explained to the dealership why it decided to cancel its franchise.

Chrysler's announcement created a rush of service appointments for Mickey Chrysler Dodge, so many that it quickly booked up its remaining service appointments and started referring requests to other dealers.

The dealership has since begun a liquidation sale, which runs through today.

Olson said Mickey Chrysler Dodge is part of a group filing a motion seeking to delay the termination of dealer franchises and Chrysler's asset sale in U.S. Bankruptcy Court.

As a result, he said the dealer will keep a "skeleton crew" operating at least until the outcome is known, probably on Thursday.

The dealership has been in business for 33 years, and currently has 43 full-time and six part-time employees.

Olson said he is not able to comment on the future of the dealership property at 1919 Dodge Road NE, but said that plans are being made for the property.

The May 19 court motion to delay Chrysler's asset sales calls Chrysler's action to cancel franchises and sell assets unprecedented and improper.

"We believe Chrysler's efforts through the sale and rejection motions violate due process, the U.S. Bankruptcy Code, other federal statutes and the laws of all 50 states that are specifically designed to protect the interest of dealers and prevent the immeasurable harm that Chrysler is inflicting on these dealers," the motion says.

Affected dealers were only given three days respond to Chrysler's request, the motion says, saying that it will wreak "emotional and financial catastrophe" on the dealers.

The dealership was founded by Bob Mickey, who started his career in the auto business at age 19 in Creston. After working as a Ford and Chrysler dealer in Humboldt and for Chrysler in Florida, Mickey bought First Avenue Chrysler in 1980.