



A move for the patties

Confectionery companies are moving to Mexico and Canada to save on labor and sugar costs.

By SEAN ADKINS

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Fifty-year-old Harry Poet, left, and 56-year-old Susan Myers talk about their days working at 615 S. Pine St., the place where York Peppermint Patties were made for nearly 50 years. The confection not only became the No. 1 selling chocolate-covered mint in the country but also gave York nationwide recognition. (Daily Record/Sunday News - File)

Bruce R. Hummel reads the labels attached to nearly every product he buys.

As a practice, the business agent for the Chocolate Workers Local 464 said he shops for

goods only made in the United States.

"At least," he said, "as much as I can."

Recently, Hummel has received e-mails from people around the nation who claim that they will not buy Hershey's products now that the company has closed its Reading plant and will shift those candy lines to other plants in the United States, Canada and Monterrey, Mexico.

Workers at the company's Reading plant had manufactured confectionery mainstays such as York Peppermint Patties, 5th Avenue candy bars and Jolly Rancher candies.

The area lost about 260 jobs as a result of the plant's closing, said Kirk D. Saville, a spokesman for Hershey.

The company doesn't comment on which lines are moving where, he said.

"When the shifts are completed," Saville said, "90 percent of the Hershey products sold in the U.S. and Canada will still be made in the U.S. and Canada."

Still, Hummel said the fact that at least a portion of the candy lines will be moved to Mexico spoils the whole batch.

"I'm not buying candy made in Mexico," he said. "People have to be more and more focused on the future of their kids and grandkids. They have to think of which products are never going to be imported. I mean, where are the imports taking

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us? They are taking us right out of employment."

he said.

Many of the confectionery manufacturers, such as Hershey, have saved money by moving their operations to other countries where the cost of labor was less expensive compared to the United States, said John H. Boyd, president The Boyd Co., a Princeton, N.J.-based manufacturing location consulting firm.

For example, total annual labor costs for a 150,000-square-foot confectionery plant employing 300 workers in the Hershey/Lebanon area was about \$15.2 million, according to the Boyd Co.'s "BizCost.com, Comparative Confectionery Industry Manufacturing Costs 2008" report.

Total annual labor costs for the same plant in Monterrey, Mexico was \$3.3 million.

Also, the cost of sugar, the main ingredient in most candy, has rung up lower in other countries compared to the United States.

Domestic sugar producers artificially inflate the price of their product as a way to protect their interests from lower-cost offshore producers, Boyd said.

For example, sugar producers in the United States charge 21-cents per pound, he said.

In Mexico and Canada, sugar sells for about 11 cents per pound, Boyd said.

"The cost of sugar is the big gorilla in the room,"

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