

Raid takes bite out of kosher-meat supply; Processor struggles after U.S. sweeps up illegal immigrants

USA TODAY

November 13, 2008 Thursday, FINAL EDITION

Copyright 2008 Gannett Company, Inc. All Rights Reserved

Section: NEWS; Pg. 3A

Length: 414 words

Byline: Grant Schulte and Tony Leys

Body

POSTVILLE, Iowa -- Financial problems at the company that was the target of one of the largest immigration raids in U.S. history have triggered a shortage of kosher meat and raised prices nationwide.

Six months have passed since U.S. Immigration and Customs Enforcement agents raided Agriprocessors kosher-meat plant here on May 12 and detained 389 illegal immigrant workers. The company's s beef operation has ceased operating, and the company filed for Chapter 11 bankruptcy this past week.

The aftermath, observers say, has disrupted the kosher-meat supply and threatened the town's s future.

"This town would be in a world of hurt if that plant closed," said Jeff Mott, owner of a local hardware store.

Agriprocessors, which revealed in its bankruptcy filing that it owes between \$50 million and \$100 million to creditors, provided about 60% of the nation's kosher meat, according to Joe Regenstein, a food-science professor at Cornell University in Ithaca, N.Y. Prices, as a result, have risen, he said.

The filing shows the largest debt to a single creditor is the \$845,000 owed to Jacobson Staffing Co. of Des Moines, which initially helped provide replacement staffing, but withdrew its workers for lack of payment.

The plant's s financial problems started before the raid, said Republican state Sen. Mark Ziemann. "I haven't understood why they didn't" file for bankruptcy before, he said.

A spokesman for Agriprocessors, which produces the Aaron's s Best line of kosher meats, did not respond to requests for comment.

"Stores like mine are struggling all over," said Rabbi Yossi Jacobson, the owner of Maccabee's s Glatt Kosher Deli in Des Moines.

Michael Choukroun, owner of Bar-B-Kosher restaurant in Los Angeles, says he has taken kosher-beef items off the menu.

Choukroun says kosher-meat prices have increased by more than 30% recently, though he says it's s unclear how much of that is specifically due to Agriprocessors' problems.

Former Agriprocessors plant executive Sholom Rubashkin faces federal charges that he conspired to hire illegal immigrants and aided in identity theft. In September, Iowa Attorney General Tom Miller announced 9,311 misdemeanor child-labor violations against Rubashkin, his father, Aaron Rubashkin, and three plant human resources employees.

Raid takes bite out of kosher-meat supply; Processor struggles after U.S. sweeps up illegal immigrants

Nearly 300 of the workers were charged with federal identity-theft and false-document crimes and served five-month prison sentences, according to federal court records.

Schulte and Leys report for The Des Moines Register

Classification

Language: ENGLISH

Document-Type: NATION

Publication-Type: NEWSPAPER

Subject: IMMIGRATION (91%); BUSINESS INSOLVENCY & BANKRUPTCY (91%); INSOLVENCY & BANKRUPTCY (90%); HISTORY (90%); BUSINESS FINANCIAL TROUBLE (90%); **ILLEGAL IMMIGRANTS** (89%); PRICE CHANGES (89%); PRICE INCREASES (89%); CRIMINAL OFFENSES (89%); AGRICULTURAL PRICES (78%); POLITICAL DETAINEES (78%); FOREIGN LABOR (78%); FEDERAL INVESTIGATIONS (78%); FOOD PRICES (77%); EMPLOYMENT AGENCIES (76%); PLANT CLOSINGS (76%); MISDEMEANORS (76%); US CHAPTER 11 BANKRUPTCY (76%); CONSPIRACY (76%); HUMAN RESOURCES (76%); FRAUD & FINANCIAL CRIME (72%); CHILD LABOR (71%); CITIES (70%); CITY LIFE (70%); IDENTITY THEFT (64%); CLERGY & RELIGIOUS VOCATIONS (63%); SENTENCING (60%); ATTORNEYS GENERAL (60%); JAIL SENTENCING (60%); COLLEGE & UNIVERSITY PROFESSORS (53%)

Company: IOWA ATTORNEY GENERAL (55%)

Organization: US IMMIGRATION & CUSTOMS ENFORCEMENT (58%); CORNELL UNIVERSITY (56%)

Industry: PRICE CHANGES (89%); PRICE INCREASES (89%); AGRICULTURAL PRICES (78%); FOOD PRICES (77%); MEATS (77%); EMPLOYMENT AGENCIES (76%); RESTAURANTS (74%); FOOD SCIENCE & TECHNOLOGY (72%); ANIMAL SLAUGHTERING & PROCESSING (72%); BEEF CATTLE FARMING (71%); HARDWARE STORES (69%); COLLEGE & UNIVERSITY PROFESSORS (53%)

Geographic: DES MOINES, IA, USA (91%); IOWA, USA (92%); CALIFORNIA, USA (79%)

Load-Date: November 13, 2008