

# MinuteMeal's frozen retreat fuels workers' strike

Breaking news that MinuteMeal is to sell off its frozen food operation based in Lithuania and Estonia to US players, Ice Market Inc, has been met with a 48 hour strike this week by the Estonian workforce. Rumours of plant closures and job losses in the Estonian plants of Tallinn, Rapla and Haapsalu have driven workers to the picket lines. Both sides are in negotiations and the outlook for the next six months remains difficult.

# MinuteMeal suffers in food dye scare

First there was Sudan 1 and now there is Para Red. This is bad timing for MinuteMeal as it seeks to dispose of its frozen food operations in Lithuania and Estonia. The chilled food division is also suffering with a number of their products appearing on the recall list.

The damage to the frozen food operation is much more serious. Over 70% of the frozen product range has been recalled as MinuteMeal has traditionally focused on meat based ready made meals where the offending dyes have been used.

Other frozen food companies who supply a mixture of savoury and sweet ranges are suffering the storm better.

The focus on the MinuteMeal operations in Lithuania and Estonia is unfortunate timing as it is on the verge of selling these operations to a US rival. It is unclear at this stage how this will impact on the transaction. There was no comment from either side yesterday.

This is also bad news for the developing markets in Lithuania and Estonia. Since these countries are

members of the EU they have been required to comply with EU food preparation standards. The MinuteMeal recall is a real set back for Lithuanian authorities who had been working hard to improve standards in this area. The Food Standards Agency in Lithuania is currently carrying out a full scale investigation into the MinuteMeal operations and is rumoured to be considering suspending or even revoking its food production licence. This would surely bring an early end to the planned disposal.

Extract from *Daily Record*