

CNH restructures: Company changes will increase workers at Saskatoon plant

Murray Lyons

The StarPhoenix

Thursday, October 26, 2006

Saskatoon should see more workers at the CNH farm machinery manufacturing plant in the city's north end, after the company announced a restructuring of its North American operations on Wednesday.

CNH -- Case-New Holland -- will close a tillage equipment manufacturing facility in Goodfield, Ill., and move those lines to Saskatoon, where the company already builds air seeders and corn planters at what was once the Flexi-Coil plant on 71st Street.

The plant in Illinois builds more conventional tillage equipment, such as discer-harrows, field cultivators, primary "combo" tillage and fertilizer applicators.

"All of these will be transferred to the Saskatoon plant," said Gualberto Ranieri, vice-president of global communications for CNH. "It's what we call a centre of excellence, which means that it will be the home of these product lines." The company issued a news release on Wednesday announcing the closure of two U.S. facilities, saying it will take a restructuring charge of more than \$100 million.

It's the second time in about five years that CNH has moved a product line to Saskatoon. The company earlier moved production of corn planters here that had been done in an American facility.

Ranieri says about 200 jobs will be lost in Goodfield when its facility closes, but he says it is too early to say what the job gain would be in Saskatoon.

"There will be an increase of employment to support these additional product lines," he said. "It would be really inappropriate now to provide a figure, but there is certainly a potential for an increase in employment in Saskatoon.

"We don't have any doubt about that." Ranieri says the Saskatoon facility has 570 employees. Most are hourly workers, but 95 are salaried employees, including administrative staff, plus research and development engineers.

Alan Migneault, CEO of the Saskatoon Regional Economic Development Authority, says the CNH move is a positive reflection on how competitive Saskatchewan manufacturing can be by the Canadian dollar.

At one time, when the low water mark for the Canadian dollar was about 62 cents US, Canadian manufacturers had an automatic cost advantage.

"We're being recognized by manufacturing companies as having a strong work force and an available work force -- highly competent and high quality -- all those really good things that make companies stand up and look at Saskatoon," Migneault said.

Saskatoon Trade and Export Partnership (STEP) president and CEO Dale Botting says there are a number of reasons why Saskatchewan farm machinery manufacturers can keep competitive despite the dollar change that's occurred.

He says the metal fabrication and machinery manufacturing cluster in Saskatoon and area, including the Humboldt region, is Canada's secondlargest metal fabrication and metal manufacturing centre after Toronto.

"We have really developed a specialized supply chain to serve those manufacturers," Botting said. "And they've really gone lean in their manufacturing methods." As well, Canadian manufacturers have a secret weapon, despite the dollar change, Botting noted.

"Health care is our Canadian secret weapon. It's off the shoulders of businesses and spread out throughout the tax base," he said. "In the United States, health-care costs can add 42 per cent to payroll costs."

© The StarPhoenix (Saskatoon) 2006

CLOSE WINDOW

Copyright © 2006 CanWest Interactive, a division of [CanWest MediaWorks Publications, Inc.](#) All rights reserved.