

430 jobs at risk as Orchard House Foods shuts Gateshead factory

Supermarket fruit and juice business Orchard House Foods is to shut its Gateshead factory, with the loss of up to 430 jobs.

The company, which supplies the likes of Marks & Spencer, [Morrisons](#) and [Pret A Manger](#), said it plans to relocate production to its existing base in [Corby, Northamptonshire](#).

Orchard House, which makes prepared and packaged fruit, fruit drinks, fruit jellies, fresh fruit yogurts, compotes and granolas, said the move is part of plans to consolidate production at Corby by the end of November this year.

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The company said it has “started a consultation process with affected colleagues, with up to 430 jobs at risk of redundancy”.

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It added that a significant number of jobs will be created in the [East Midlands](#), with support for colleagues from Gateshead who wish to relocate.

Help will also be offered to those affected by the redundancies to find new employment in the local area, the firm said.

Orchard House said it had invested to turn around the site's performance but that it is "continuing to make losses that make it commercially unviable".

The closure comes amid surges in the costs of food, energy, labour and transport.

Food manufacturers have also come under severe pressure from staff shortages, exacerbated by the UK's exit from the European Union.

Orchard House said customers and suppliers will not be affected by the plan.

It comes 18 months after UK private equity company Elaghmore snapped up Orchard House in a deal worth around £25 million.

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Chief executive Steve Corby said: "We understand that this is an incredibly difficult situation for our employees, and our priority now is to ensure that we do everything we can to support them.

"Despite making significant investments in our Gateshead facility over a considerable period in an effort to turn around its financial performance, it is unfortunately still making losses that make it unsustainable over the long term.

“This is not a decision we have taken lightly and comes off the back of an incredibly challenging period for the sector.

“Like many other businesses across the UK, we have been suffering from a series of economic and business challenges. They include rising energy, raw material, transport and labour costs.

“There has also been a shortage of available staff to work at our Gateshead site.”