

Frozen-food firms fight for survival

By STEVE STROTH
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Watsonville's frozen-food processors say their industry is dying and it's up to the city to decide when to dig the grave.

"It's not a matter of whether or not this industry is going to survive," said Jeff Shaw, vice president of Shaw Frozen Foods Inc. "It's a matter of when it's going to die."

And the quickest way to kill it is for the city to revoke subsidies of sewer rates for local food processors, he said.

Shaw was one of several food processors who joined with labor leaders and about 150 workers Tuesday night to tell the Watsonville City Council that the city's biggest industry may not be here in 10 years.

"I don't think it can last," Shaw said.

The standing-room-only crowd was at City Hall to protest an increase in sewer rates for industry. Plant workers filled the council chamber's aisles holding placards reading "Keep costs down" and "Save our jobs."

The council still approved substantial increases for industrial water, sewer and garbage rates last night. But it agreed to continue subsidizing the cost of treating industrial sewage by raising rates for residential and commercial users by a little more.

But it was the gloomy picture of the industry's future that seemed to disturb city officials.

Mayor Betty Murphy said she was shocked by the news that food-processors believe their days are numbered.

"It would devastate Watsonville" if they left, she said.

Even though the treatment of industrial sewage is subsidized by the rest of the Pajaro Valley, frozen-food plants still pay a huge chunk of the cost of running the sewage treatment plant. Should the frozen-food industry fold, it would place a staggering financial burden on local residents, Murphy said.

Ray Walker, executive vice president of Crosetti Frozen Foods, said many companies may not be around to pay for those sewer services.

Former Councilman Frank Osmer, representing the Watsonville Food Processors Association, read off a list of 15 companies that are no longer in business because of the downward trend in the industry. Today there are just seven plants, he said.

Shaw said subsidizing service rates is a way the city can allow for a smooth transition for the industry.

With the threat of future plant closings, the city should order food processors to give at least six months notice before halting operations, Fahey said. The companies should also provide retraining for their employees, he said.

Sergio Lopez, leader of the Teamsters union local 912, called for the city to take the plight of the industry to Washington. Legislation must be enacted to help promote American vegetable products and put restrictions on foreign imports, he said.