

Green Giant plant is sold to Martinelli

By GREG BEEBE
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WATSONVILLE — The county's oldest business, S. Martinelli & Co. apple cider producers, is buying the soon-to-be-closed Pillsbury/Green Giant frozen food processing plant on West Beach Street in Watsonville.



John Martinelli

Terms of the purchase, announced Thursday, were not disclosed, but the original asking price of the property was \$8 million, according to commercial real-estate agent Carl Blanke, who brokered the deal.

The Martinelli Co., a Watsonville fixture for 125 years, out-bid an area frozen-food processing company and a large cold storage firm for the 263,000 square-foot Green Giant plant.

More than 220 workers will lose their jobs when Green Giant locks the doors on the plant Jan. 14, part of a \$100 million reorganization that sees five Pillsbury vegetable-processing plants closing in the U.S. and Canada.

The purchase, said Martinelli Co. vice president and general manager John Martinelli, means the company — after contemplating a move to the Central Valley — is in Watsonville to stay.

"We're anchored here now ... this is our home. It was one of the major factors in our decision," Martinelli said.

Another suitor, Del Mar Frozen Food Products Corp. in Watsonville, hoped to buy the facility as part of "a large but lateral move ... to extend our processing operations," said Del Mar president P. Mecozzi.

The third interested party was reportedly Americold, an Oregon-based shipper/packer with a district office in Watsonville. Americold officials did not return tele-

Workers frozen out, says union

By GREG BEEBE
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WATSONVILLE — Pillsbury/Green Giant broke a promise by selling its Watsonville plant to a major area apple-juice producer, labor leaders charged Thursday.

The sale of the frozen-food processing plant on West Beach Street to S. Martinelli & Co. is another in a series of betrayals against Pajaro Valley workers by Green Giant, officials from Teamsters union Local 912 said.

When Green Giant announced it was shutting

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phone calls Thursday.

The Martinelli Co., bottlers of award-winning juice and cider since 1868, has been operating in extremely cramped quarters on East Beach Street for many years.

The company was designing a new, six-acre production facility on Kearney Street when the sprawling Green Giant building became available, said John Martinelli.

When Pillsbury/Green Giant announced in September that it was shutting down its Watsonville operation — laying off an estimated 235 seasonal and full-time workers — Green Giant officials pledged they would "aggressively" pursue buyers for the plant.

But Martinelli had already purchased its property in the city's industrial district and was only mildly interested in the Green Giant plant, which underwent a \$3.4 mil-

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lion upgrade by Pillsbury in the late '80s.

"When it started, we looked at it not very seriously at first but it became more interesting as time went on," said Martinelli. "We were lucky enough to have our bid chosen."

Pillsbury/Green Giant spokesman Terry Thompson described the sale as "good for the community ... that a really top-flight firm with options to do other things decided to stay in Watsonville."

The Martinelli company produces its juices and ciders from its two-acre site on East Beach Street near Watsonville High School. Apples and finished products are trucked to and from more than a dozen rented warehouses elsewhere in the city.

Avoiding the "double handling" necessitated by satellite warehouses is the most immediate benefit of the move, said Martinelli. By spring, the company hopes to move its scattered warehouse and shipping operations to the 17-acre Green Giant site.

The company employs 165 workers, and the work force is not likely to increase at the new plant, at least for the time being, said Martinelli. But those jobs, he said, will stay in town.

Martinelli processes 55,000 tons of apples and produces 9 million gallons of apple juice and cider a year.

In the future, larger quarters could enable Martinelli to diversify into the burgeoning "new-age beverage" market, he said.

Meanwhile, the company is preparing to put its Kearney Street land, purchased in 1991, on the market.

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down and selling its 17-acre, \$8 million Watsonville facility in September, Teamster officials were assured by Green Giant that every effort would be made to sell the plant to another frozen-food processor, said union secretary-treasurer Sergio Lopez.

Having another packer in the old Green Giant shop, perhaps doing contract work for Pillsbury, would go a long way toward re-employing the 220 full-time and seasonal workers who are expected to lose their jobs when the plant shuts down Jan. 14.

But "when the final bell tolled," Green Giant sold the facility to the Martinelli Co., even though two frozen-food processors were trying to line up financing, Lopez said.

Terry Thompson, vice president of corporate communications for Pillsbury, denied the company made any promises to organized labor.

"We said we would aggressively look for a buyer and that's exactly what we did," said Thompson.

The Teamsters have a good relationship with the Martinelli Co. and represent workers there, said Lopez. But the sale to the apple cider maker is another in a "long history of (Green Giant) saying one thing and doing another. ...

"I took Pillsbury at their word. They said they care about their employees," Lopez said. "The company could have waited for the financing of the other food packers to come through.

Instead, they're going to take the money and run.

"For them, it's Merry Christmas and to hell with their workers. Pillsbury makes Scrooge look good," Lopez said.

Labor and political leaders were working behind the scenes, Lopez said, to leverage federal community assistance loans to help a local processor take over the plant and save jobs in the county.

Yet, Grand Metropolitan, the England-based conglomerate that owns Pillsbury/Green Giant, couldn't wait, said the labor leader.

"They are a multibillion-dollar company, what difference would another month or two make?" said Lopez.

Green Giant had an obligation to its shareholders to sell the plant promptly, and made no deals with the union, said Thompson.

"We would deny that there was ever any kind of commitment (to sell to a food processor)," Thompson said. "Our commitment was to find the best buyer and it so happens that we found the best buyer in Watsonville."

Union officials and Green Giant representatives are scheduled to meet this morning, as part of negotiations on severance pay and benefits packages for the displaced workers.

The company, said Thompson, has already agreed to contribute \$200,000 to combined county, state and federal efforts to retrain workers.