

Outlooks differ on food processors' closing

Some see little overall effect

By **MARIANNE BIASOTTI**
Sentinel staff writer

WATSONVILLE — The planned February closing of the Norcal Crosetti vegetable processing plant is just one more blow to an economy already reeling from floods, earthquake damage and other plant closings, but local economy watchers are trying to be optimistic about Watsonville's prospects.

Last week's announcement of the pending closing means hundreds of workers earning an average \$7.50 an hour will be thrust into a market radically different from the one they entered some 20 years ago. Today, the low-educated, largely Spanish-speaking labor force must either vie for jobs in a diminished food-processing industry or compete for other jobs against educated English speakers.

"It isn't like it used to be — there's no industry that can absorb this latest blow to the town's industry," said Sergio Lopez, secre-

tary-treasurer of the Teamsters General Union Local 912. "Where do we go in this town to find 700 jobs?"

Watsonville Mayor Tony Campos said the news hits close to home for his family; several of his relatives work at the Norcal Crosetti plant.

"It's going to be hard," he said. "It's going to be very difficult for some of these folks to know that Feb. 10, they're going to be out of work."

Job uncertainty for some 700 workers began two months ago at the Ford Street plant, when it was taken over by Midwest giant Dean Foods.

The nearby plant the company already owned on Harvest Drive, its largest distribution point on the West Coast, will absorb most Norcal Crosetti operations.

Though Dean Foods plans to sell the Norcal Crosetti plant, company

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Dan Coyro/Sentinel

The former Norcal Crosetti plant will shut down in February.

Watsonville workers have been through it

By **MARIANNE BIASOTTI**
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WATSONVILLE — Esther Saldana, who was 60 when the Green Giant plant closed in January 1994, remembers how it felt when she was told her job of 23 years was gone.

Her first thoughts were of her mortgage and all the other bills she didn't know how she'd pay.

"It seemed like a disaster," Saldana said. "Everything went downhill."

Unlike co-workers who felt they were too old to go back to school, Saldana enrolled in a job retraining program, called Proyecto Pillsbury, and took computer, English and math classes. Two months later, Saldana was offered a job as a machine operator with Del Mar Food Products Corp., one of 80 former Green Giant workers taken on at the plant.

Local officials hope to mirror the experience of the Green Giant retraining program in the wake of the Norcal Crosetti shutdown next February. After Watsonville's Pillsbury/Green Giant plant closed, the county's Job Training Placement Act program headed

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officials have said they will retain between 50 and 60 workers at some smaller buildings at the site to continue operating a cold-storage warehouse and some frozen vegetable processing.

But the freezing of fresh vegetables at Norcal Crosetti, the bulk of the plant's operations, will move to the Dean Foods facility.

How many of the remaining 700 permanent and seasonal workers will be rehired at Dean Foods remains uncertain. And union leaders declined to make an estimate until they meet with company officials and workers.

"I wouldn't want to give people false hopes and say, 'Don't worry, at least 200 or 300 of you will be given jobs,' because I don't know," said Lopez, who swears he was as surprised by the news as his workers were.

"They've only owned the place for 90 days — my God, they didn't give themselves or the people a chance to turn things around," said Lopez, referring to the company's financial difficulties over the past few years. "I really thought with their deep pockets ... a multi-billion-dollar company, that they would do what they'd need to do to keep workers employed."

In explaining the plant closing, Dean Foods officials cited the need to be more efficient in an industry that's been hit in the past decade by increasing domestic and foreign competition. Dean Foods operates 20 vegetable plants around the country and one in Mexico.

Without knowing how many jobs will be affected, local economic specialists are trying to determine the impact the job loss will have in an area where one out of every four residents is unemployed during the winter. In January and February this year, jobless rates hovered around 24 percent, reflecting the hiatus between harvest seasons. Those figures dropped in the spring and summer, hitting a low of 13 percent in September, according to La Vera Wilkins, manager of the state Employment Development Department in Watsonville.

Because many plant workers already receive unemployment benefits six months out of the year, the layoffs probably won't increase the valley's overall unemployment

stunk. It was perfume to me — cauliflower and broccoli, the smell of jobs. It was a beautiful scent," Lopez said. "Now, the air is clean and fresh. And it stinks, because there aren't any jobs."

Out of 18 frozen vegetable plants operating statewide in 1988 — three in Watsonville — only five remain, said J.J. Crosetti, former part-owner of the Norcal Crosetti plant. Only one, Patterson Frozen Foods in Patterson, is independent, as was Norcal Crosetti. The rest are part of multinational corporations like Dean Foods, he said.

P.J. Mecozzi, president of Del Mar Food Products Corp. on Beach Street, points to the valley's frozen fruit processors as potential employers of Norcal Crosetti workers. Lopez agreed that stable Pajaro Valley processing companies like Del Mar Food, J.M. Smuckers, New West, Carriage House, Naturipe and Americold have greatly increased their fruit processing volume in the past decade, as vegetable plants have left town.

"As long as those fellows keep their energy, there's a potential for growth in that industry," Lopez said, referring to Mecozzi and others.

As the vegetable market has shrunk, Mecozzi said he's nearly doubled his workforce to 500 at peak and doubled production to 50 million pounds in the past nine years. His primary products are frozen peaches, strawberries, bell peppers, apricots and apples. After the Green Giant plant closed in 1994, Mecozzi began processing frozen spinach and broccoli lines for Pillsbury.

Mecozzi predicts that given the high demand for frozen fruit from Pacific Rim countries, the valley could support more fruit processing jobs. Lopez attested to the continuing strength of the international frozen fruit market, which, unlike vegetables, still hasn't come under attack from Mexican competitors.

"The closing of that plant is not good news by any stretch, but there's still a core industry here," Mecozzi said.

Chuck Allen of the Landmark Real Estate Co. said the plant closing

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a federally funded 18-month retraining program for Green Giant workers.

Of an estimated 212 workers, most of whom were permanent, 146 signed up for the \$1.5 million program. The program, which ended in June, shows that 68.5 percent — or 100 workers — found new jobs at an average salary of \$8.29 an hour, according to Greg Irish, who heads the county's JTPA program for Careerworks.

The program nearly met the state goal of a 70 percent retraining rate, said Irish, and surpassed expectations of the state Employment Development Department, which distributes the federal funds. A similar retraining program for more than 300 Green Giant workers laid off in 1991 also had a 70 percent success rate and received a national award.

Jobs ranged from a high salary of \$13 an hour at Mann's Packing Co. in Salinas to \$5 an hour at Martha's Beauty Salon. Most of those jobs, or 85 out of 100, are in Santa Cruz County.

But despite the successes, workers still must prepare to lower their expectations after earning an average \$12 an hour with benefits.

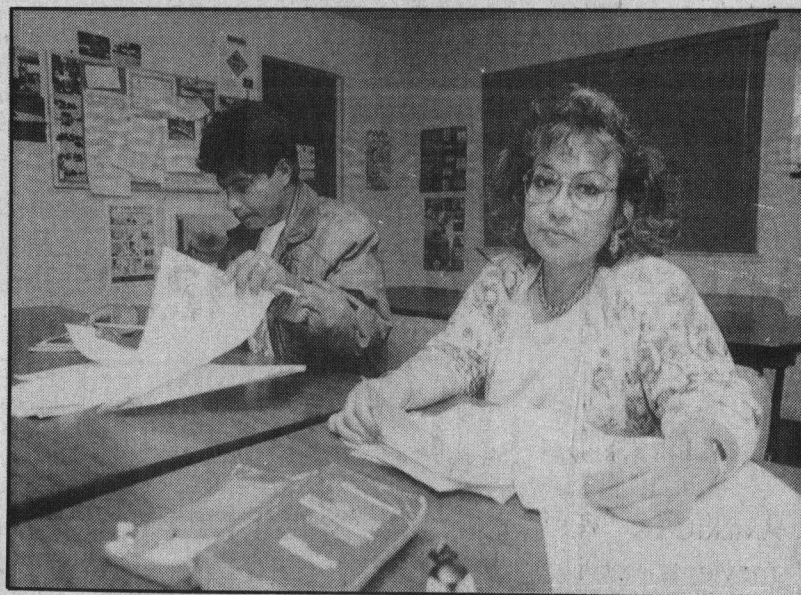
"We've reached our goals with these programs ... but the expectations of the people who were laid off are different — they wanted to maintain or improve their standard of living," Irish said. "It points to a changing labor market in a global economy. The standards have changed since they were looking for a job."

Before retraining began, JTPA employees surveyed Green Giant workers to determine what skills they needed to find new jobs.

The survey found that most of those workers lacked basic skills needed to survive in today's job market. Results showed that 64 percent of the workers were limited in English; 70 percent hadn't graduated from high school; and 73 percent tested below the seventh-grade level in math and reading.

Job training specialists expect to find similar barriers to employment when they survey Norcal Crosetti workers in the near future.

"The retraining program that the feds have come up with ... it's



Dan Coyro/Sentinel

Former Green Giant worker Grace Wyatt now works at the Truck Driver Institute, where she translates for instructors.

spoke English fluently when they were laid off, an important skill many of their Green Giant co-workers didn't share.

By the time they start learning English and brush up on basic math and writing skills, Lopez said, the 18-month program runs out. Saldana said she knows several Green Giant co-workers who never found jobs after the plant closed. One lady is "just getting by" on monthly retirement benefits, Saldana said.

Lopez knows that unlike Saldana and Wyatt, many of the workers he

represents who have lived in the Watsonville area most their lives still don't speak English, and are criticized for it.

"I think 25, 30 years in any country is sufficient to learn that country's language. But the majority (of plant workers) are women, who came from Mexico with their traditional husbands. ... They had the obligation to do all the housework and in reality, you could say they didn't have time to raise a family, work and learn English. It's easy to criticize. But they're not lazy; they're good workers."

the state Employment Development Department in Watsonville.

Because many plant workers already receive unemployment benefits six months out of the year, the layoffs probably won't increase the valley's overall unemployment rate during the winter months, she said. The loss of jobs, however, is expected to extend the high unemployment rate throughout the spring and summer months, she said.

"In terms of total numbers, it's not that big of a thing," said Eric Alexander, a labor market analyst for the state Economic Development Department.

Alexander said that of the 100,000 or so workers in the county, a few hundred more on the unemployment rolls shouldn't make much of a wave in the county's overall economic picture. But for South County, the impact will be harsh.

"The issue really is, it is one more thing that hits Watsonville," said Alexander. "You've got some serious things happening to you in a relatively short period of time."

As soon as the plant closing was announced, county and city officials said they planned to meet with industry and union leaders to discuss ways to find jobs for plant workers. County Job Training Placement Act workers plan to visit the Norcal Crosetti plant and interview workers to determine their skill levels, then apply for federal job retraining money.

The county workers organized a job retraining program that received \$1.5 million from the state to retrain 150 Green Giant workers when that plant closed in January 1994. More than 300 had been laid off in 1991, and retrained. About 70 percent of those workers found new jobs at an average \$8.29 an hour.

On Friday, state Sen. Henry Mello, D-Watsonville, requested that a team from the state Employment Development Department set up an assistance center for Norcal Crosetti workers that would provide them with information on job training, job placement and unemployment benefits.

The Teamsters represent about 2,600 workers in the Pajaro Valley's food processing industry. That's a far cry from the early 1980s, when the Teamsters represented some 7,000 local workers at several frozen vegetable and fruit processing plants, Lopez said.

Back then, vegetable processing employed the majority of those workers. Today, the plant closings over the past decade, combined with a jump in frozen fruit processors in the valley, puts the two food industries on nearly an even level.

"In the good ol' days when you drove through Watsonville, it

under attack from Mexican competitors.

"The closing of that plant is not good news by any stretch, but there's still a core industry here," Mecozzi said.

Chuck Allen of the Landmark Real Estate Co. said the plant closing may even attract new, more viable industries by opening up a 16-acre site in a city with little available industrial land.

"It's not a doom-and-gloom focus," Allen said. "If we do the right things, we should be able to attract more employers and make this community even better."

Allen knows of several large industries, including high-tech, research and other food processors, that are looking to expand in the Central Coast and have shown interest in the Norcal Crosetti site.

"One of the issues is there's very limited amounts of industrial land left in the city," said Mecozzi, a member of the city's Economic Development Council. "If we as a community don't try to find the best use for that ground, then we're derelict in our duties."

In a city that gets inquiries from industries wishing to relocate, "Normally we don't have a building or a parcel this size that we can even talk to them about," said City Manager Steve Salomon.

The plant closing announcement came just three months after Watsonville celebrated the opening of Gottschalks department store in the former Ford's building. City leaders see the arrival of the Fresno-based chain as a major step in rebuilding a downtown devastated since the earthquake. Gottschalks on Main Street marks the return of a downtown retail anchor for the first time since the Charles Ford Co. declared bankruptcy in 1993 and closed its doors.

Gottschalks President Stephen Furst said he doesn't expect the plant closing to reverse their better-than-expected sale record in Watsonville, or affect their expansion into a warehouse behind the Main Street building. While the Watsonville store draws customers primarily from an area within five miles of the city, it also draws a substantial amount of business from surrounding communities, including Salinas, Gilroy and Aptos.

"Certainly, news like this isn't good for Watsonville, and what's not good for Watsonville isn't good for Gottschalks," Furst said. "But we don't project this affecting us in any extreme."

"We're not turned off by anything, including this announcement."

grade level in math and reading.

Job training specialists expect to find similar barriers to employment when they survey Norcal Crosetti workers in the near future.

"The retraining program that the feds have come up with ... it's imperfect like everything else in life," said Sergio Lopez, the secretary-treasurer of the Teamsters General Union Local 912, who represents plant workers in the Pajaro Valley. "But overall, there are some real success stories. The main dilemma many people face in America today is: 'OK, given my low skills, I'm 50 years old, monolingual in Spanish, with only a second or third grade education, what can I do?'"

Grace Wyatt, who also enrolled in the retraining program after her layoff at the Green Giant plant, said it presented a good opportunity to change careers. The 41-year-old Watsonville resident had been a line worker, forklift driver, head grader who weighed incoming trucks and a caser who boxed the final product.

Today, Wyatt is a receptionist and director of student placement at the Truck Driver Institute in Watsonville. Wyatt never graduated from high school, but that didn't matter to her boss, company president Lyle Botimer.

Botimer said he never considered recruiting a displaced plant worker. Botimer said he knew she was the receptionist he was looking for when he walked into the JTPA's Careerworks office in Watsonville and saw her working there as a job counselor.

"I liked the way she was meeting people, taking care of their needs and directing them where they needed to go," Botimer said. "I didn't care what she was doing before — she's an excellent people person and has a great desire to learn. I'm very impressed by that."

Wyatt now works full-time at the institute and spends two nights a week at Cabrillo College, where she hopes to earn an associate of arts degree.

Saldana and Wyatt already