

Farmers left in the lurch by strike at food plants

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Growers from Davenport in north Santa Cruz County to Merced in the San Joaquin Valley say they have lost a lot of money because of the strike at two frozen-food plants in Watsonville. And at least some of them feel they have been used as pawns in a strike the companies knew was coming.

Because Richard A. Shaw Inc. and Watsonville Canning and Frozen Food Co. have operated below capacity since the strike began 72 days ago, many farmers have been stuck with an oversupply of vegetables they had grown for frozen-food markets.

While lima bean growers in the San Joaquin Valley and brussels sprout growers near Davenport can already calculate their losses, broccoli and cauliflower growers in the Salinas Valley have been able so far to barely cover their costs by diverting their crops to the fresh market.

Some of the hundreds of farmers who grow the thousands of tons of produce handled by the two plants are bitter about being in the middle of the dispute.

Growers say they are powerless to recoup their losses because of tight contracts that benefit the companies. They say they depend on doing business with the processors and don't see any way to prevent the same thing from happening again.

The contracts signed by growers include a stipulation that releases the companies of responsibility if there is a labor dispute.

"The companies have themselves very well covered," said a lima bean grower from Newman. "My biggest complaint is that they did not make their intentions clear. If I had known they were going to hold out (in a strike) I wouldn't have planted like I did."

The Newman grower said that early in the season he began phoning Watsonville Canning to find out why his product wasn't being taken. His calls were not returned, he said, but he heard rumors of a labor dispute. To get the full story, he said he drove to Watsonville to talk with the company, but was

turned away from the plant by the security guards.

"I got fed up with the situation so I went to the union hall. It was then that I understood for the first time how major the strike was," the grower said.

The Newman grower estimates he has lost more than \$30,000 because Watsonville Canning took little of the 600 tons of beans it contracted for.

Since he couldn't sell it to food frozen, he sent his produce

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to the dried market. But he said that market, which usually pays an average of \$38 per 100 pounds, was so flooded because of other growers doing the same thing, that the price dropped to \$24.

A cauliflower grower near Gustine said Watsonville Canning has not taken half the produce it contracted for.

"I've had almost daily communications with the company. In the morning they say they can take something and then they call back and cancel," he said.

He said he is not only losing his crop, but must also absorb labor costs: "Even if my field workers are only out for two hours I have an agreement I will pay them for four hours of work."

Both the San Joaquin Valley growers say they have consulted lawyers about the possibility of recovering their losses, but don't feel optimistic about their chances.

"As farmers, we are over a barrel," one said. "We rely on the companies to contract in good faith and we have to accept what they give us. We understand they are having a hard time... Things have gotten

so bad, so quickly in farm-related business that everyone is doing poorly."

Watsonville Canning officials did not return phone calls made to elicit their comments on the growers' complaints, but Steve Shaw, president of Shaw's, said his company "has not left a single pound in the fields."

In response to Shaw's assertion, a Salinas broker said that was a matter of interpretation. He said Shaw had not taken anywhere near the broccoli it had contracted for, although the company still could technically pick up the broccoli under the terms of the contract, which he doubts will happen.

Several growers voiced suspicion that the companies planned for the strike. Because last year's crops yielded such abundance, those growers say the processors took more produce in and operated at peak capacity longer than usual last year. As a result, Watsonville's two largest frozen-food companies wound up with an oversupply in frozen-food storage facilities, where leased space is costly.

"The companies aren't hurt by this strike," said a Salinas shipper who supplies Shaw's with more than two million pounds of produce annually. "They have a big inventory so it was to their benefit to get rid of it. It was to their advantage to not pay the farmers or their workers."

The same Salinas supplier said that with six weeks left in the broccoli season there is a still a chance for the broccoli growers to do well.

"The fresh market is a crap shoot. If things go well we can maybe make up the difference that we lost," he said.

David Gil, a Salinas broker with Gilco, said about 85 percent of his growers' cauliflower and broccoli has been harvested for the fresh market. Gil said they have gotten a fairly decent price but that payment on the fresh market would have been even better if there was not such an oversupply.

Growers say they would normally be signing contracts with the frozen-food plants now for next spring, but both sides have put such contracts on the back burner until the strike is settled.