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Dean Foods buying stake in 2nd Watsonville firm

BY BOB JOHNSON Special to the Mercury News

The parent firm of Shaw Frozen Food — Watsonville's largest employer — has agreed to invest in the town's second-largest employer, Norcal/Crosetti's Frozen Foods.

"We expect the deal to close in 90 days," said Byron Johnson, Shaw's president. He declined to say whether the parent firm, Dean Foods Inc. of Chicago, will have a controlling interest in its major Watsonville competitor.

"We look at it as a positive step for Watsonville that will provide stability for the frozen-food industry," Johnson said. "We're serious about being a major player in the industry."

Shaw's has a peak harvest workforce of 700 employees, and Norcal/Crosetti's employs as many as 600 at harvest time.

Five years ago, Shaw, Norcal, and Crosetti's were locally owned and employed up to 2,500 workers processing broccoli and cauliflower. Crosetti then closed its plant and merged with Norcal, and Shaw was acquired by Dean Foods.

If Dean Foods acquires part of Norcal/Crosetti's, no vegetable processor in Watsonville will be entirely locally owned.