

# Majority of jobs are cut

## Watsonville 'devastated'

By JAMIE MARKS  
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WATSONVILLE — Pillsbury/Green Giant on Monday announced a massive layoff at its plant here, sending a chill through this hard-hit community as workers and union officials scrambled to find out who will keep their jobs.

"I feel a sense of outrage," said Teamsters Local 912 Secretary-treasurer Sergio Lopez. "There are people who have been here 26, 27 years. The worst of all is Green Giant will never be the same again."

"It's devastating to the community. On top of the earthquake, it's the most devastating thing that could have hap-

pened," Lopez said.

The 550 full-time and seasonal employees will be reduced to 150 full-time workers, including 25 salaried employees. The hardest hit will be the 150 seasonal employees, whose jobs will be eliminated, except in the rare instances when extra line workers are needed, said Duane Larson, general manager at Green Giant.

The company has an annual payroll of about \$6 million — one of the largest in a town that was severely damaged in the earthquake. Immediately after the Oct. 17 earthquake, 1,000 workers throughout the city were unemployed and hundreds

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## Workers are confused

By JAMIE MARKS  
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WATSONVILLE As workers filed out of the Green Giant cafeteria Monday morning following a two-hour meeting, many said they were sad and puzzled by the company's plans.

"I'll continue working," said Tony Torres, a forklift operator at Green Giant for two years. "But it's pretty confusing. No one knows who will have jobs."

"Not much is known," said a Spanish-speaking woman. "It's kind of crazy because no one knows what is going to happen."

Reporters were kept at bay outside the Pillsbury/Green Giant plant while workers met with union and management officials to

hear about the pending layoffs. Two Pinkerton Security guards were assigned to keep the reporters outside the gate. Later in the morning, Teamsters Local 912 officials met with workers at the Veterans Hall.

The mood was grim as workers assessed their options.

Douglas Mello, an 18-year Green Giant employee said, "They're still talking in riddles," he said.

"It's the people who have two incomes there that will be hurt the most," said Ernestine Bergo, a nearly 30-year employee with Green Giant.

She laughed at the idea of learning a new job. "They're going to re-train all these elderly ladies?"

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# Green Giant layoffs

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of others were left homeless.

Larson said management will be reduced from 40 to 25 positions. Some managers have relocated to other Green Giant plants and others have taken jobs elsewhere.

Jobs in broccoli and cauliflower processing, which employ 220 people, will be eliminated when Green Giant moves those processing operations to Irapuato, Mexico.

Although company officials met with union representatives and workers for two hours Monday morning, much confusion remained as people tried to sort out the information.

There has been no decision yet on which employees will remain on the job, and who will have to seek other employment. Some of those decisions will be worked out with the Teamsters in ongoing negotiations about re-training, seniority and health benefits.

"It's very confusing. No one really knows what will happen," said one employee as she left the plant meeting.

"It's devastating, really sad," said Ernestine Bergo, who has

been with Green Giant nearly 30 years. "If they knew in January what they were doing with the plant, why didn't they let us know an answer (on who will have jobs) today?"

Green Giant/Pillsbury is a subsidiary of Grand Metropolitan PLC, a British-based conglomerate with sales of \$15 billion. In January, the company announced a company-wide restructuring, shifting broccoli and cauliflower processing from Watsonville to Mexico and Ohio. For the past four months, the company has been exploring alternatives for the 17-acre Watsonville facility.

Green Giant is the largest property owner in Watsonville, with an assessed value of \$15.9 million.

City Councilman Paul Milladin, a retired executive with Richard Shaw Frozen Foods, Co., and Mayor Todd McFarren met with company officials early Monday morning.

"It's a hell of a devastating effect on the community, but I can't blame them. It's a profit thing," Milladin said. "They've been there (Mexico) for seven years and I've been saying since

they opened up it was a matter of time before they closed this plant."

"Obviously I'm disappointed they're reducing their workforce. It looks like 340 layoffs to me," Mayor McFarren said. "But they have put together a plan for employees to be re-trained. The workers can be re-trained if Green Giant puts enough money into it. What we need to do is encourage Green Giant to get these people re-trained in new skills."

The company will invest \$3.4 million in new equipment for brussels sprouts and spinach processing, as well as upgrade its repackaging equipment for individually packaged foods, such as its boil-in-a-bag line, according to a press release from the company.

Green Giant will begin re-training employees in July and start laying off employees in November. By January, the layoffs will be complete.

Larson, of Green Giant, said the company has hired Mike Hickey, of Hickey and Associates, a New York firm, to con-

duct re-training workshops beginning next month at a site other than the West Beach Street plant.

He said the re-training "will try to enhance the employees' skill base" in jobs other than food processing.

Carmelita Paragas, a machine operator and 21-year employee with Green Giant, said she'd inquired about relocating to Wellston, Ohio. But, she said, her pay would be reduced from \$9.50 an hour to \$4 an hour.

"I don't think I can support myself on that kind of salary," she said.

Larson, of Green Giant, said wages would be lower in Ohio, but not as low as Paragas had heard.

Larson said the motivation for the layoffs was not simply cost-cutting.

"It was not a deciding factor in the company's restructuring. The restructuring was designed to get the product closer to the consumers and to deliver a fresher product after it's packaged and sauced," Larson said.

But the Teamsters' Lopez said the labor savings couldn't be ignored. Green Giant will be adding 350 jobs to its Mexican plant, bringing the total there to 850 employees. Lopez estimated that move will save \$2.6 million in salaries alone. That's because the lowest salary in Watsonville is \$7.61 an hour, versus \$3.86 a day in Mexico.

"The company line is the layoffs are designed to get a fresher product to consumers, but you can't tell me it's not greed and avarice that's driving them," Lopez said.

Lopez said the Teamsters have kept their silence until now, but will be breaking their silence now that the layoffs have been confirmed.

## Workers confused and upset—

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Ha," Bergo said.

According to company information, the average age of a Green Giant worker is 45. Over 80 percent are non-white, predominantly Hispanic, with about 60 percent female. More than 75 percent do not have a high school diploma or Graduate Equivalent Degree.

The average length of employment is 13 years.

Although the company is offering some workers a chance to relocate, Teamsters Local 912 Presi-

dent Joe Fahey said, "I don't think there will be a long line of people waiting to go to Mexico at \$3.86 a day."

Teamsters Secretary-Treasurer Sergio Lopez said the re-training program being offered employees is a "thread the company is hanging from."

Lopez said it's the only way Green Giant can hope to retain its full work force until the layoffs become effective this November.

Watsonville Finance Director Terry Stigall said the full financial

impact on the city hasn't been measured.

"Anytime we lost employees it means we lose sales tax," Stigall said. "And I would imagine the sewer charges would go down dramatically" by switching the company's operations from processing to repackaging.

Mayor Todd McFarren said the City Council will have to look into the economic consequences of the layoffs, as well as consider the future of the food-processing industry.