

Big move for Martinelli

DEC 1 6 1993

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The Martinelli cider company announced today it will purchase the Pillsbury Green Giant vegetable-processing plant on West Beach Street and gradually move its operation there from its East Beach Street headquarters.

It could take 10 years or more before the move is complete, said Stephen C. Martinelli, president of S. Martinelli and Co., which started in Watsonville 125 years ago.

The sale angered Teamsters

Union leader Sergio Lopez, who was hoping a frozen-vegetable packer would buy the plant and preserve the 220 remaining jobs at the plant.

Pillsbury Green Giant, which

had cut its work force by 370 employees two years ago, announced in September it would close the plant in January and the remaining workers would be out of work.

The Green Giant workers were

told this morning the last day of production will be Jan. 14, Lopez said.

Lopez, chief executive officer of Teamsters Local 912, said he wasn't angry at Martinelli's.

"Under normal circumstances the union would have no complaints," Lopez said. Most of the 165 employees are Teamster members, and the purchase "signals a future commitment to remain in Watsonville. Martinelli's had previously talked of relocating to Fresno."

Martinelli apparently outbid two

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Watsonville companies interested in taking over the Green Giant plant and processing vegetables there, Lopez said.

The companies are Del Mar Frozen Foods, a fruit packer, and Americold, a cold-storage firm, Lopez said. Both firms would have contracted to pack vegetables for Green Giant using the current employees, he said. Americold would have contracted with Norcal-Crosetti Frozen Foods to do the packing.

Lopez said he had been working behind the scenes for the last month trying to save the Green Giant jobs.

"I took Pillsbury at its word," Lopez said this morning. "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 people look

good."

Over the last 10 years, Lopez said, 5,000 jobs have been lost in the local frozen-food industry, 1,000 of them at Green Giant.

Most of the work done at Green Giant is now done in Irapuato, Mexico, Lopez said, by workers paid \$5.76 a day. "Ironically, about 70 percent of those losing their jobs are women who immigrated from Mexico," Lopez said. Their average age is 48.

Martinelli said nothing will happen at the Green Giant plant until escrow closes, probably toward the end of February.

The company first plans to use the building for warehousing its bottled products beginning in March or April, but the transfer from rented warehouse space will be a slow one. The company now rents space in 13 warehouses.

The rented warehouses will be used, Martinelli said, until the leases on those buildings expire.

Eventually, the company wants to move its entire operation to the Green Giant site, but it could take

upward of 10 years to complete the move, Martinelli said.

All of the product bottling and pressing is done at the old East Beach Street plant and the finished product trucked to the warehouses.

Once the Green Giant freezer rooms are converted to cold storage, Martinelli plans to store apples there for processing.

"We could move our pressing facility there and then truck the juice back to the original site for bottling," Martinelli said.

Martinelli's decision to buy the Green Giant plant means it will sell six acres that it bought on Kearney Street in 1991. The site is now available for another company interested in moving to Watsonville, Martinelli said.

Martinelli understands the union's unhappiness. "It is unfortunate when any company leaves town," he said, "but we had to do what is best for our company."

"The property on Kearney Street wasn't really large enough for our long-term needs, so we view this as a godsend," he added.