

Watsonville plant shutting down

Layoff picture uncertain at food processor

By MARIANNE BIASOTTI
Sentinel staff writer

WATSONVILLE — The former Norcal-Crosetti plant will be shut this February, the Chicago-based Dean Food announced Tuesday, just two months after Dean bought the plant.

The food processing plant employs up to 700 workers during peak season.

Company chairman and CEO Howard M. Dean had warned in August that a consolidated operation in Watsonville would be "in the long-term best interest of both the city and its residents."

Workers, nonetheless, were caught off guard.

"It's a huge surprise — they just told us and I have no idea what to do," said Evangelina Marrujo, who started working at 331 Ford St. 20 years ago, when it was Watsonville Canning Co.

Effects of the pending lay-offs are compounded in a city that has one of the highest unemployment rates in the country, expected to hit 24 percent this winter. A succession of frozen-food plant closings in the last decade and a cyclical agricultural economy contribute to the joblessness, made worse by a largely uneducated labor force that speaks primarily Spanish.

Workers handling cauliflower were among the first to get the news Tuesday morning. As they broke for lunch three hours later, many struggled to absorb news they said was "shocking," and made more difficult by the way it was announced.

Not only did the man making the announcement fail to introduce himself, but "he didn't even tell us 'good morning' first," said Jesus Murillo. His aunt, fellow worker Socorro Murillo, said she still couldn't believe the abrupt message she and about 60 others heard after being pulled from their lines:

"He said, 'We want to tell you we're going to close the plant. If you have any questions, call your union,'" Murillo said.

"They're treating us like we're their burros — and we've spent almost half our lives here."

By the end of the day, workers still weren't any clearer about their futures because Teamsters Local 912 union leaders were out of town and unavailable for comment.

Jeff Shaw, president of the Dean Foods

Vegetable Co. said Tuesday from his Chicago office that the plant consolidation is a trend that means survival in this industry: "You need to be a low-cost, high-quality producer."

Watsonville's frozen-food plants once employed thousands, but a decreasing market for frozen vegetables and foreign com-

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petition have taken their toll on the once-thriving industry.

In January, Dean Foods also plans to shut down the Salinas Norcal-Crosetti plant, which is rented, not owned.

Dean Foods of Franklin Park, Ill., is a \$2.6 billion company with plants around

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the nation and one in Mexico, processing foods for worldwide distribution under Birds Eye and other labels. Its Harvest Drive plant in Watsonville is among the largest of its 20 vegetable processing plants and is the company's largest distributor on the West Coast.

Dean Foods is the third-largest frozen and canned vegetable processor in the country, the second largest pickle supplier to retail markets and the largest fluid milk processor in the United States, according to company officials.

Shaw said he could not estimate how many jobs will be lost when the Norcal plant's processing of fresh broccoli, cauliflower and other vegetables ends on or around Feb. 12.

The details of a severance package for full-time employees will be worked out with union officials in the next three months, Shaw said. But, he says, it will not include a job retraining program, like the \$1.5 million program offered to 150 workers by Pillsbury/Green Giant after it closed its Beach Street plant in January 1994.

An unknown number of workers will be transferred to the Dean Foods plant down the street, where most of Norcal-Crosetti's operations will be absorbed.

"It is difficult to say (how many) because we're looking now at how many more people it will take to run it," Shaw said. "The problem is we don't want to speculate, and don't want people to think there is an opportunity, or there is not an opportunity, when we don't know for sure."

The fresh vegetable operation being discontinued employs the bulk of the Norcal-Crosetti plant workers.

Some jobs will be saved at plant, Shaw said, where Dean plans to continue running a frozen vegetable warehouse and packaging frozen vegetables "indefinitely."

Despite the lost jobs, Shaw said those who transfer to Dean Foods will enjoy more stable employment than if they had remained at Norcal-Crosetti.

"If the company would have gone bankrupt, there would have been no severance package, no notice, and the company would have closed the next day," Shaw said.

Shaw denied that the shutdown was already planned when Dean



Bill Lovejoy/Sentinel file

Teamster leader Sergio Lopez, left, with striking workers in the background, signed an agreement ending the strike in March, 1987.

Foods bought the plant in August. It was an option, however, because "the reality was they were in very difficult financial shape when we bought them. ... That doesn't mean there's not business there, just not enough to support both plants."

Shaw said the plant is suitable for other types of frozen and refrigerated food processing, and that he already has received unsolicited calls from interested buyers.

"It's important for us to sell that property and find somebody suitable ... who will bring jobs back to the community," Shaw said.

As they have done during their breaks in the last 20 years, a group of women in their 40s and 50s wearing white hair nets and plastic aprons sat around a picnic table outside the Norcal-Crosetti plant Tuesday, sharing Mexican soup, rice and sandwiches. But their discussion was filled with angry words for a company some have worked for nearly half their lives.

Like many, Evangelina Marrujo doesn't know where to begin to look for a job. Like her friends sitting next to her, she doesn't speak English and has never held another job. She and other workers agreed it will be hard finding another job paying an average of \$7.15 an hour plus benefits.

But, said Socorro Murillo, many of the women at the table already faced losing their jobs when they joined strikers from the Watsonville Canning and Richard

Shaw companies in 1996-97.

"We have no tears, just anger. We're used to it — we learned a lot about fear and hunger from the strike," said Murillo, who with many others received \$43 a week during the 18-month strike. "We gained a lot of strength and self-worth and learned how to defend ourselves."

After the strike, Watsonville Canning Co. became Norcal in 1987, which after a merger with J.J. Crosetti two months later became Norcal-Crosetti. Richard Shaw Inc., started by Jeff Shaw's father, was bought by Dean Foods in 1988.

Anita Contreras, 57, said she plans to leave Watsonville, sell her home and return to Michoacan, Mexico, where she hopes to open a restaurant.

Contreras is the woman who in 1993 discovered what she said is a Virgin of Guadalupe apparition on a now-famous oak tree at Pinto Lake. Contreras said after she leaves, she expects local believers to continue revering the virgin at what she and many believe is a sacred place.