

# WATSONVILLE 1990 Layoffs 6-29-90 at packer fuel fears of future STNN BL

By Bob Johnson  
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Four hundred workers who will lose their jobs at Watsonville's Green Giant plant when the company shifts production to the Midwest and Mexico at the end of the year will receive more than \$2 million in severance benefits.

But no one in Watsonville is celebrating the package, which was accepted by the workers June 16.

Under terms of the settlement between the local Teamsters union and London-based Grand Metropolitan, which took over Pillsbury-Green Giant in 1988, full-time employees will receive one week's pay for every year of work. Those with more than 20 years of seniority will receive two weeks pay for every year put in at the Watsonville plant.

## Additional benefits

In addition, the workers will receive medical and dental benefits for up to four months after the layoffs and for the first time, seasonal workers also are scheduled to receive some severance benefits.

However, city and labor officials in Watsonville say the settlement has done little to ease their concerns about the future of the local frozen food industry.

"If you take into consideration that the company has no obligation under federal law, and no contractual obligation, to offer severance pay or benefits, I'm gratified," said Sergio Lopez, secretary-treasurer of the Watsonville Teamsters Local 912. "But no amount of money would be enough to replace the jobs that were lost."

## Firm to renovate plant

In January, the company announced that it would cease processing broccoli and cauliflower in the coastal valleys that produce half the nation's supply of those crops, prompting the loss of 400 of the 550 jobs at the plant during harvest. The company plans to spend \$3.4 million to renovate the plant and continue operations on a smaller scale.

Just five years ago, nearly 3,000 people found union work processing broccoli and cauliflower in Watsonville. But as production has shifted to central Mexico, where workers are paid as little as \$3 a day, more than 1,000 local food processing jobs have been lost since then.

Half of the Mexican frozen vegetable production is owned directly by U.S.-based corporate processors, while the other half is owned

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by a consortium of large Mexican growers who sell to U.S. processors or directly to brokers.

In Watsonville, the permanent loss of employment at area frozen food plants has been substantially larger than the temporary loss of retail employment that followed the Loma Prieta earthquake last year, according to Local 912 President Joe Fahey. Fahey estimated that more than 2,000 food processing jobs have been lost.

In an apparent attempt to blunt the anger that has focused on their decision to shift production to a plant in Irapuato, Mexico, Pillsbury last week sent Vice President Michael Schaeffer to Watsonville.

Schaeffer explained that the change is designed to bring the

product closer to Eastern customers by shifting final processing to a new plant in Wellston, Ohio. This week, the firm plans to send another company executive to Watsonville to outline a job training program that will be offered to laid-off workers.

Labor activists in Watsonville, however, are not convinced.

"I have not changed my mind about why they're going to Mexico," said Teamsters leader Lopez. "They're going to Mexico to exploit the workers and make large amounts of money."

Community activist Frank Bardacke has suggested that Watsonville express its anger at the move by boycotting Grand Metropolitan's other property in Watsonville.

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