

# Frozen-food firm expands

By NANCY BARR  
STAFF WRITER

Conco, the parent company of Watsonville Canning and Frozen Food Co., has taken over marketing for a Texas frozen-food plant and plans to have a similar presence in several other states and countries within a year.

Mort Console, president and chief executive officer of Conco, announced in a press release yesterday that Console Foods, a Conco subsidiary, is assuming the operational control of Bannworth Frozen Foods in La Joya, Texas.

Console Foods, the marketing arm of Conco — Watsonville Canning is the production arm of the firm — has signed an agreement with Bannworth to take over the marketing, sales, production and production planning at the plant.

Smiley Verduzco, executive vice president of Conco, and Alex Ybarrolaza, of the Teamsters union, said the agreement with Bannworth will have no

effect on the nine-month-old strike against Watsonville Canning.

Console did not buy the Bannworth plant, nor did it pay any money up front as part of the new arrangement, Verduzco said yesterday.

The plant will remain under the ownership of the Bannworth family, which will also be responsible for the day-to-day operations of the plant.

Although the Bannworths have only been in the processing business for six years, they have been growers for many years. All the vegetables processed at their plant are grown on their 10,000 acres in Texas or their 2,000 in Mexico, John Bannworth said this morning.

The Bannworths grow most of the same products already processed by Watsonville Canning, and a couple of vegetables not now sold by Console Foods.

Console Foods will be responsible for deciding what products and how much is to be processed at the Bannworth plant, and under what labels the products will be packed. It will pay Bannworth based on a percentage of sales, both Verduzco and John Bannworth said. Console does not plan to have any of its own employees in Texas.

The agreement with Bannworth offers several advantages to Conco, Verduzco said, by giving the firm a production facility in another vegetable-growing region. Wages in La Joya, Texas, are also a lot lower than in California — Bannworth employees make \$3.36 an hour.

Having two facilities (Watsonville Canning and Bannworth) producing products for Console Foods gives Console a competitive edge, better allowing it to supply its customers with the products they want, Verduzco said.

The agreement also benefits Bannworth. "We feel we'll have a broader acceptance in the market," John Bannworth said.

Until now, Bannworth has packed almost exclusively for the institutional market. With Console, Bannworth can make an inroad to the retail market, Verduzco said.

Console's agreement with Bannworth, and Console's pending agreements with other firms, can be likened to a shipper or wholesaler that buys the products from the processing plant. The major difference, Verduzco said, is that being a processor itself, Conco can provide expertise on the production of the product.

Console is also negotiating with several other firms, in Mexico, California, Texas, Denmark, New York, and elsewhere, to set up similar operating agreements as has just been approved with Bannworth, Verduzco said. He expects Conco to reach an agreement with one Mexican firm within a week or two, and for Conco to be marketing for a total of eight or nine production facilities within a year or so.

Despite Conco's expansion, Verduzco again said there are no plans to leave Watsonville.

"The Salinas Valley is a very rich growing area, and we want to maintain a presence in this area," Verduzco said. Conco also doesn't have the capital that would be needed to move to a new location, he said.

Verduzco said Conco has believed for some time that an expansion would be necessary to remain competitive. The Bannworth agreement is a big boon to Conco. The expansion takes the pressure off Watsonville Canning as sole producer of Conco products, Verduzco said.

"It broadens our base so if something takes place here in California, whether it be a freak of nature or other changes to our production, we have a production area elsewhere," Verduzco said.